FINANCIAL TIMES

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NEWS SUMMARY

GENERAL

Leading Spanish deputy killed

A member of Spain's top constitutional body and three police officers were machine-gunned to death in the Basque city of San Sebastian.

Sen. Juan Maria Araluce Villar, 59, father of nine, member of the 17-man Council of the Realm, President of the Provincial Council of Guipuzcoa and a Deputy in the Cortes [Parliament] died when gunmen fired on his car in the city centre. The chauffeur was badly wounded.

The Prime Minister, Sen. Adolfo Suarez, summoned an emergency Cabinet session. Suspicion has centred on the Basque separatist group ETA. Page 4

Peace women head for U.S.

Two Ulster peace leaders, Mrs. Betty Williams and Mrs. Mairead Corrigan, have left Belfast for the U.S. to plead for an end to American arms support for terrorist groups in Northern Ireland. They will appear on TV and speak at a conference in New York during their three-day visit.

Leader charged

The Socialist Party leader, Mr. George Fernandes, and 22 other prominent public men have been charged with conspiring to overthrow the Indian Government. Page 6

Foxbat 'lags'

The Pentagon's close examination of the MiG 25 Foxbat, which fell into Western hands when a Soviet pilot flew it to Japan, appears to indicate that the aircraft is significantly inferior to U.S. jets in almost every respect. Page 5

IMF hard line

An extremely hard line was taken by Mr. William Simon, U.S. Secretary of the Treasury, on all major financial demands of the world's poorest countries. His speech in Manila at the International Monetary Fund meeting seems bound to cause resentment among third world governments. Back Page

Subsidy rejected

The Department of Employment has turned down an application for the £20-a-week temporary employment subsidy to be paid for 120 people at the factory of Norton Villiers, Wolverhampton, the firm's liquidator, Mr. Kenneth Morgan, said.

People and . . .

Mrs. Bertha Harris, 80-year-old clairvoyant, in an interview with Woman magazine, claimed that the Royal Family had a deep interest in spiritualism and had had messages from the other side.

Prince Bernhard of The Netherlands resigned as chairman of the Bilderberg Conference, the annual meeting of influential politicians and businessmen he helped to found in the early 1950s. Page 4

Mrs. Mary Whitehouse described the script of the proposed film about the sex life of Jesus as more obscene, decadent and blasphemous than any normal, healthy mind could have conceived and asked Mr. Merlyn Rees, Home Secretary, to bar from Britain the Dane who proposed to make it.

. . . places

London: The Clean Air Act of 1956 had been one of the great environmental success stories, Mr. Peter Shore, Environment Secretary, said.

Milan: Large areas of the city were flooded when rivers overflowed.

Heathrow: Angry holidaymakers were involved in scenes at the airport after a series of mishaps delayed a British Airways flight to Barcelona more than 24 hours.

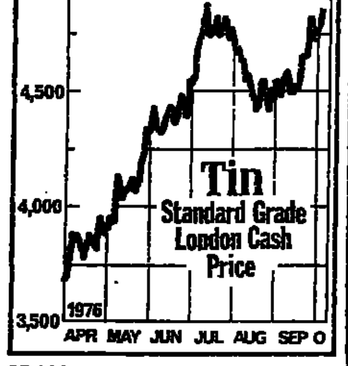
BUSINESS

Equities rise 6.3 to 323.8; gilts up

● EQUITIES rose in response to modest buying interest at the start of the new Account. FT 30-Share Index closed at 323.8, up 6.3 on the day.

● GILTS also gained ground, although business was generally small. The Government Securities Index rose 0.23 to 59.36.

● TIN prices rose sharply on the London Metal Exchange. Cash metal traded at over



£5,000 a tonne in early dealings, before closing at £4,852.5, up £50. Page 39

● STERLING improved 25 points to $1.6715. Its trade-weighted depreciation narrowed to 44.2 (44.7) per cent.: dollar's widened to 2.92 (2.78) per cent.

● GOLD fell $1.75 to $114.375.

● WALL STREET slipped 1.91 to 977.98.

● DENMARK has raised its discount rate from 8.5 to a record 11 per cent. after a big rundown in its foreign exchange reserves. Page 4

● EEC Commission has protested to Rome about Italy's decision to put a 10 per cent. surtax on purchases of foreign exchange. Lira recovered in the wake of the crisis measures. Page 4

New strike hits Ford

● PRODUCTION of Ford's Cortina IV was at a virtual standstill less than a week after the official launch of the new car, as a new strike—this time by four welders — hit the company's Dagenham plant. Back Page

● LEYLAND has appointed Mr. Desmond Pitcher, 41, as managing director of the Truck and Bus Group. Men and Matters, Page 16

● AGRICULTURE Minister, Mr. John Silkin, resisted an EEC Commission call for an immediate 4.5 per cent. devaluation of the "green pound," which would have lifted food prices. Back Page and Page 39

● RETAIL SALES continued to recover in August, with a fairly substantial rise in hire purchase business. Page 7

● CADBURY TYPHOO will invest £5m. on redevelopment of its biscuit factory at Moreton, Liverpool, mainly to boost exports to Europe and the U.S. Page 7

● PAN AMERICAN Airways is negotiating a big new credit arrangement with its banks and institutional lenders to replace the aid package secured a year ago. Page 34

COMPANIES

● EMI is buying a 90 per cent. holding in the instrument company, Nuclear Enterprises. Back Page, Lex and Page 7

● RUGBY PORTLAND CEMENT pre-tax profit advanced to £5.58m. (£5.36m.) in the first half. Page 30 and Lex

● CURRYS made lower pre-tax profit of £3.68m. (£4.44m.) in the first half. Page 32 and Lex

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Treasury 3½pc '79-81	£82¾	+ ¼
Treasury 14½pc 1994	£96	+ ½
Apex Props.	100	+ 4
Arbuthnot Latham	105	+ 10
Barclays Bank	230	+ 5
British Home Stores	129	+ 4
Brocks	43xd	+ 6
Broken Hill Prop.	820xd	+ 18
Brown (J.)	93	+ 5
Cape Inds.	117	+ 5
Chesterfield Prop.	120	+ 5
Clyde Paper Pref.	37†	+ 22
Davy Intnl.	113	+ 5
EMI	197	+ 5
Glaxo	318	+ 5
GKN	250	+ 6
Hawker Siddeley	354	+ 8
Hay's Wharf	48	+ 4
Lake and Elliot	48	+ 6
Lucas Inds.	163	+ 6
Marshall Cavendish	30	+ 3
Phoenix Assurance	168	+ 6
Thorn Elect.	172	+ 6
Town and City	7	+ 1½
Turner and Newall	131	+ 5
Weyburn Eng.	294	+ 8
Malayan Tin	230	+ 7
Southern Malayan	185	+ 12
Union Crpn.	225	+ 10
Yukon Cons.	144	+ 6

FALLS

Bk. of NSW "New"	160*	− 15
Dixon (D.)	25½	− 4½
Philips' Lamp	910	− 23
Taylor Woodrow	225	− 7
Royal Dutch	£40⅞	− 1½
Bougainville	130	− 5
Durban Deep	255	− 45
Poseidon	75	− 5
Western Holdings	£12	− ½

† Nominal bid. * Premium.

U.K. draws $500m to keep level of official reserves

BY MICHAEL BLANDEN

A drawing by Britain last week of $500m. from the $5.3bn. central bank credits and further substantial public sector borrowing abroad were needed to maintain the level of the official reserves in September.

The drawings on the central bank credits took place at the height of the sterling crisis which forced the Government to apply for a $3.9bn. standby credit from the International Monetary Fund.

They bring the amount of central bank credit taken by the U.K. to nearly $1.6bn. This will have to be repaid on December 9 either out of IMF drawings, if they are available in time, or temporarily from the U.K.'s existing reserves of foreign exchange.

The U.K.'s official reserves rose last month by $129m. to end at $5.158bn. (£3.092bn.). Apart from the $500m. drawing, public sector borrowings amounted to $336m. The figures underline the need for the U.K. to apply for further backing from the IMF.

In order to gain that backing, Whitehall accepts that both the target for domestic credit expansion in the last letter to the IMF and the 12 per cent. guideline for the growth of the money supply set out in July must be met in 1976-77.

It is also accepted that—quite apart from any views the fund may express — on internal grounds alone there will have to be reduced credit expansion and monetary growth targets for the next fiscal year.

The overall aim is still to keep the economy expanding at a rate compatible with achieving the key targets of bringing down inflation and continuing the improvement in the balance of payments. Within the overall objective the industrial strategy and a rise in manufacturing investment are the priorities.

Ammunition

Quite clearly, whatever the Government's hopes, the industrial strategy might be jeopardised if the targets set for the economy are pursued exclusively by monetary means. Presumably, in such a situation the Government would have no alternative but to take another look at the level of public spending.

The application to the Fund was aimed to give the U.K. authorities new ammunition to defend the pound after a period of nearly three weeks last month when no support was offered.

In fact, since the application was announced last Wednesday, there has been little evidence of significant official support for the spot sterling rate.

And yesterday, in fairly quiet exchange markets, the pound showed a further improvement with the announcement of the reserves figures making little impact.

It closed in London at $1.6715 for a rise of 25 points, with its effective depreciation from December, 1971, levels narrowing from 44.7 per cent. to 44.2 per cent.

The reserve figures reflect the drain caused by the continuing U.K. balance of payments deficit and the support offered for the pound early last month when the threatened seamen's strike first hit the market. Some dealers estimated that about £200m. could have been spent before the

Continued on Back Page

Tories told to be ready for short-notice poll

BY RICHARD EVANS, LOBBY EDITOR

MRS. MARGARET THATCHER, the Conservative leader, buoyant at the increased prospect of an early general election because of the Government's difficulties, called on Tory agents last night to concentrate on the forthcoming by-elections in order to drive Labour from office.

On the eve of the Party conference, she hammered home the theme of the week — that the party must be fully alerted to fight an election at very short notice.

The Conservative leadership fully appreciate that an election will only be called by a reluctant Mr. Callaghan if the country is plunged deeper into a political and economic crisis, but the Government's wafer-thin overall majority in the Commons makes it particularly vulnerable to the effects of by-election defeats.

Three of the four forthcoming by-elections are in what are regarded as safe Labour seats—Workington, Walsall North and Stechford—but Mrs. Thatcher believes that continuing economic uncertainty together with divisions inside the Labour Party could give the Conservatives a chance to break through.

The fourth contest is in the Tory-held seat of Cambridge.

In previous by-elections the Conservatives have done poorly at a time of great economic difficulty for the Government, but the bitter internal Labour squabbling and publication of the Tory's unifying policy document have brought a sudden improvement in Tory morale.

At the traditional eve of conference dinner for agents Mrs. Thatcher also emphasised the need to concentrate on the recruitment campaign in the constituencies in order to have more activists ready to fight an election, particularly in industrial seats.

Argument

She also highlighted the West German election results where a small Liberal percentage vote has effectively kept out the Christian Democrats as a telling argument against any change in the electoral system in favour of proportional representation.

Earlier, Mrs. Thatcher's increased confidence showed in a BBC television interview when she firmly rejected the view expressed last week by Mr. James Callaghan that cutting public expenditure substantially would lead to angry protests and possibly violence.

"People are going to dance in the streets, not riot when the present policies are changed," she said.

"I am fed up with the Government humiliating Britain by making her go time and time again to beg for loans from other countries—loans which are necessary because this Government has pursued policies that have brought us to this pass."

The Prime Minister had made it clear that his party would not let him pursue the necessary policies.

"So it depends on us. We have no such inhibitions."

In another interview, Mrs. Thatcher rejected the trade union leaders' criticism of the policy document on grounds that it could lead to confrontation.

The document made it clear that the Tories would abandon the Social Contract, but Mrs. Thatcher said that a Conservative administration would consult the trade unions fully.

In her view, however, it was the Government's job to represent all the people, not just one section.

The policy document, The Right Way, will be presented to the conference to-morrow by Sir Keith Joseph, the Shadow Cabinet minister responsible for policy.

Lucas plans to spend £100m. in Britain and overseas

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

LUCAS INDUSTRIES, one of Britain's largest motor components companies yesterday showed its confidence in the continuing growth of its buoyant home and overseas business by announcing a £100m. investment programme, £80m. of which is to be spent in the U.K. by next August.

The new investments, mainly in the Lucas electrical and Girling brake factories, come after a £35m. programme announced for the CAV diesel subsidiary last year.

They mark a considerable gearing-up of Lucas's activities in Britain, most of it coming after the appointment of Mr. Bernard Scott as chairman three years ago.

Lucas says that the expenditure consists of £61m. for new plant and buildings, and a further £40m. on revenue and maintenance costs.

Finance is being provided partly by the £43m. rights issue made by the company in May, with the rest coming from normal cash flow and existing financial resources.

These developments clearly hold out the prospects of increased employment, although the company was reluctant to speculate last night about how many jobs might be created.

Much of the new expenditure will go into re-tooling and modernising plants to improve efficiency and productivity, so the impact on jobs will tend to be felt only as sales improve.

The investments also answer some of the criticisms that have recently been made of the British components industry for exporting capital rather than products.

Although about £20m. of the expenditure signed off yesterday will be going overseas to a variety of interests, notably on the Continent, Lucas is clearly determined to consolidate its home base where it is the dominant force in the electrical components field.

The most interesting area of new investment activity is in advanced electronic equipment which is now becoming an important feature in car ignition and injection systems.

Both Lucas and Bosch, the German company which is its main European rival, have been deeply involved in research in this field, which is becoming a significant factor in the search for greater control over emissions.

Other investments are in lighting systems, starter motors, switch gear and braking actuation systems.

£ in New York

—	Oct. 4	Previous
Spot	$1.6760-6775	$1.6730-6750
1 month	1.65-1.60 dis	1.55-1.55 dis
3 months	[illegible] dis	[illegible] dis
12 months	14.25-14.05 dis	[illegible] dis

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For latest Share Index 'phone 01-246 8026

Butz resigns in storm over blacks

By Jurek Martin, U.S. Editor

WASHINGTON, Oct. 4.

MR. EARL BUTZ resigned to-day as U.S. Secretary of Agriculture amid a storm created by obscene remarks he had made about American blacks.

At the very least the Butz affair is likely to embarrass President Ford in his election bid, and may hurt his chances considerably.

Mr. Butz arrived unannounced at the White House soon after mid-day to submit his resignation to the President.

He said afterwards: "This is the price I pay for a gross indiscretion in private conversation."

Mr. Ford was extremely sympathetic. "This has been one of the saddest decisions in my Presidency," he said. He pledged that U.S. agriculture policies would remain unchanged.

In Denver, Colorado, Mr. Jimmy Carter, Democratic candidate, said the Butz statement was "embarrassing and disgusting."

Mr Butz's remarks were made to none other than Mr. John Dean, the former Nixon aide, who was covering the Republican Convention in Kansas City for Rolling Stone magazine. He was answering a question why it was that the Republican Party could not command more support from black Americans.

Ford waited

Democrats and many moderate Republicans had demanded that Mr. Ford dismiss Mr. Butz outright for his racial slurs, but the President contented himself with reprimanding Mr. Butz last Friday, waiting to assess the political reaction before taking any further decision.

Mr. Ford's dilemma was compounded by the fact that Mr. Butz had become increasingly popular of late in the farm belt states, which Mr. Ford must carry to be elected.

The other side of the coin was the offence clearly given to American minority groups, especially blacks.

Mr. Butz sought to assuage this to-day by saying that he hoped to "remove even the appearance of racism as an issue in the Ford campaign" and by extolling the President's decency and morality.

The damage has probably already been done. Had Mr. Ford fired Mr. Butz immediately, he might have minimised it.

Troubles for Ford, Page 5

DoI predicts revival of investment

BY ADRIAN HAMILTON

A SUBSTANTIAL revival in industrial investment in Britain was forecast yesterday by the Department of Industry. But at the same time the Department also released revised figures showing a sharp decline in industry's real rate of return over the past few years.

On the optimistic side, it has produced newly revised forecasts suggesting that industrial investment has declined less than expected this year and that it will go up by as much as 15-20 per cent. next year.

However, in its latest estimates of return on capital employed for industrial and commercial companies, the Department states that the real rate of return after stock appreciation fell to 3.9 per cent. last year — a third of the figure a decade and a half ago and only half the level during the last business recession in 1970.

INDUSTRY'S CAPITAL EXPENDITURE
(£ million at 1970 prices)

Year	Manufacturing	Distributive and service industries (excluding shipping)
1970	2,130*	1,799
1971	1,991	1,930
1972	1,739	2,071
1973	1,872	2,362
1974	2,024	2,251
1975	1,737	1,964
1976 (rounded est.)	1,660	1,880
1977 (forecast)	1,900-2,000	2,000

* peak

Source: Department of Industry

The two sets of figures strike at the heart of the political debate now being waged between those who believe that industry has failed to provide the investment needed and requires intervention to prod it on, and those who believe that the cause and solution to the investment problem lies in profit.

For the Government, the upward revision of investment forecasts is particularly welcome. It suggests a potentially important growth factor in the economy in line with the Government's policy of promoting the manufacturing sector at the expense of the service sector.

While its forecasts have tended to err on the high side in the past, the Department's belief that investment will fall by only 4-5 per cent. this year is broadly in line with estimates made by others, such as the CBI.

The same is true of the upward revision of next year's growth to about 15-20 per cent., implying a rise to some £2bn. at 1970 prices.

Against this, investment by the distributive and service industries, with an expected fall of around 4-5 per cent. this year, is seen as growing by only 5 per cent. or less in 1977.

The central question concerning investment is whether the forecast rise represents simply a swing back from the savage investment cuts made by companies in 1975 or whether it represents, as the Government hopes, a longer-term pull which can bring growth and employment with it.

The figures give little indication of this. Even if 20 per cent. growth should occur next year, it will do no more than bring investment levels back to their 1974 levels and spending in real terms will still fall short of the 1970 peak.

And there remains the fear that the investment is largely in labour-saving rather than job-creating assets.

For the longer-term, the more important figures may well be thobse for company profitability. On the basis of current cost accounting, recommended by the Sandilands Committee, there can be little doubt that industry has suffered a steady decline in its rate of return over the last decade, with a particularly sharp fall last year and in 1974 to 5.2 and 3.9 respectively (compared with 15.7 and 18.8 per cent. on an historic cost basis).

This year has seen some improvement, with a seemingly large increase of 28 per cent. in profits in the first six months compared to the first half of last year. But when this is set against the appreciation of capital stock and capital consumption, the underlying rise in the rate of return may not prove as great.

The Government itself has done no figures on this. But estimates made outside suggest that the rate of return over the first six months, at perhaps 4.1 per cent., is little more than the rate over the last half of last year and that the year as whole could still see the rate at no more than around 4.5 to 4.75 per cent.

If this proves true, then the level will still be only half that of the average in the first half of the decade.

Lex, Back Page

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LOMBARD

Mrs. Thatcher's new subsidy

BY ANTHONY HARRIS

NOT LONG AGO, when Mr. Edward Heath was leader of the Conservative Party, and Mrs. Thatcher was responsible for housing, the party issued a manifesto which contained a proposal for a further subsidy for owner-occupiers paying off mortgages. This was regarded as such an outrageous bribe that embarrassed explanations leaked out, largely to appease offended Tories, that this proposal had been shoved in at the last minute at the insistence of Mr. Heath. I do not claim to know who put this report about; but now we have Mrs. Thatcher's own policy document, and it proves that the explanation which leaked out last time was not only disloyal but dishonest. The bribe is there again.

Interest rates

It is not quite so blatant this time: "The stabilisation of the cost of home ownership through the establishment of a maximum mortgage rate which the Government ensured by adjustments to building society tax rates" does not, as a matter of logical necessity, mean a subsidy. It would be possible, if the rate were chosen at a high enough level, to devise a scheme under which the maximum would also be, for long periods, a minimum cost, and that the societies would be charged abnormally high taxes when interest rates fell until the subsidy was repaid (with interest).

Experience of other stabilisation schemes—in commodities for example—show that it is in fact very hard to get the target price right. The result is usually either to set the price too high, encouraging new producers to undercut, or to set it so low that the scheme can only survive with the aid of a subsidy.

I am not at all sure, then, that a genuine stabilisation scheme would be workable; it would mean, among other things, forbidding other financial intermediaries from offering cheap loans at a time when the building societies were working off past subsidies. It is possible of course to do something to temper the wind to the shorn borrower: the present Government's habit of topping up building society funds with short-term loans when interest rates are thought to be temporarily high is a fairly direct method, though again it is not clear that Mr. Healey is prepared to be logical and call in, as it were, special deposits from the societies at times when the flow of loan funds threatens to outrun housing supply, as I believe he should.

At least, however, it is possible to have a sensible debate about the pros and cons of stabilisation and the methods to be used. If this is what the Conservatives have in mind, they should say so, and I will be happy to debate politely.

However, it is not very easy to believe that this is what the proposal is intended to mean: and it is even harder to believe that this is the sense in which it is intended to be understood. It looks like a very simple proposal to put a ceiling on mortgage rates by means of a variable tax exemption; and if that is what it actually means, it is very hard to find temperate language in which to comment on it.

First, it is a subsidy, and an open-ended subsidy at that. This, on top of a proposed subsidy for first-time buyers, and an implied subsidy to council tenants, who would presumably, as in the past, be offered their houses at below market values, fits oddly, to put it no higher, in a programme aimed to cut subsidies and reduce the deficit of the public sector. Indeed, to broaden this last point, the whole idea of reducing public sector borrowing by selling public assets cheap (implied also in the remarks about the British National Oil Corporation) would in a company be described as defrauding the shareholders.

Landlord

The proposal is equally out of place in a policy designed to restore some sense to the housing market. Some of the other proposals — for shorthold leases, for example — are a sensible attack on Labour's cynical and damaging 1974 Rent Act: but the Conservatives seem equally unwilling to face the real reason for the decline of the private landlord. It is simply that while an owner-occupier can pay the interest on his largest borrowing out of gross income, the tenant has to finance interest payments by his landlord out of taxed income. The owner-occupier can always outbid the tenant of equal income: the higher the rate of interest, the bigger the gap. A subsidy on top of that would finish the landlord off as effectively as any number of controls and Rent Acts. It all goes back to another bribe, which Mr. Enoch Powell has described as the most dishonest political act he can remember: the abolition of Schedule A. And that was a Tory measure too.

RACING — BY DOMINIC WIGAN

Vaguely James appeals

A YEAR ago to-day Newmarket landed the Brighthelmstone Nursery, the principal event at Brighton, through Grey Baron, and this time I expect to see *Vaguely James* do the trick for racing's headquarters.

The Michael Stoute-trained stablemate to the Cambridgeshire winner Intermission is certainly overdue for a win. A particularly consistent Jimmy Reppin colt, he has finished either second or third on each of his five appearances.

Vaguely James put up by far his best performance last time out when running the lightly-weighted Court House to a length in the valuable Royal Nursery. Blinkered for the first time on the east coast track, Vaguely James looked all set to open his account until the late flourish of the winner, to whom he was trying to concede a stone, proved too much.

This afternoon's easier mile trip should suit Vaguely James ideally, and I expect to see Taffy Thomas, who was also aboard him at Yarmouth, set out to make all the running. Ribosa, a one-and-a-half-length winner from Teddington Park over six furlongs at Salisbury early last month and the top weight, Do Good, may provide the chief threats.

Half an hour before the Nursery I am prepared to give the talented but disappointing *Octogenarian* one more chance in the Steyning Selling Stakes.

NEWCASTLE
2.15—Nana's Queen*
2.45—Rossella Bella
3.15—Handycuff
3.45—Elm
4.15—Matinale
4.45—Amber Valley

BRIGHTON
2.00—Captain Mainwaring
2.30—Octogenarian***
3.00—Vaguely James**
3.30—Veracious

This inmate of John Dunlop's highly successful Arundel establishment, which sent out Billion to score for Mr. Nelson Bunker Hunt in Bath's opener yesterday, need only reproduce his promising early season form to account for some poor rivals here.

The Head Man, who showed his first respectable form since obliging at Warwick 18 months ago when failing by the minimum distance to cope with his stable companion, Master Builder, at Bath recently, may follow the selection home.

At to-day's other Flat meeting, Newcastle, *Elm* and *Matinale* could achieve a double for Barry Hills and Ernie Johnson. *Nana's Queen* is given a reasonably confident vote in the Newlands Stakes.

Sir Desmond Plummer, chairman of the Horserace Betting Levy Board, has announced additional prize money grants of £2,500 each to the Piper Champagne Cheltenham Gold Cup and the Champion Hurdle for 1977, bringing the total added money for the two races to £30,000 and £25,000 respectively.

The grant to the Scottish Champion Hurdle is doubled to £2,000, giving the Ayr race a value of £5,000 added; while the London and Northern Securities Future Champions Novices' Chase and the West of Scotland Pattern Novices' Chase receive increases of £700 and £500 respectively.

A further 16 races throughout the country receive an additional £500 each. These increases bring the Board's total contribution to the jumping Pattern next year to £163,250.

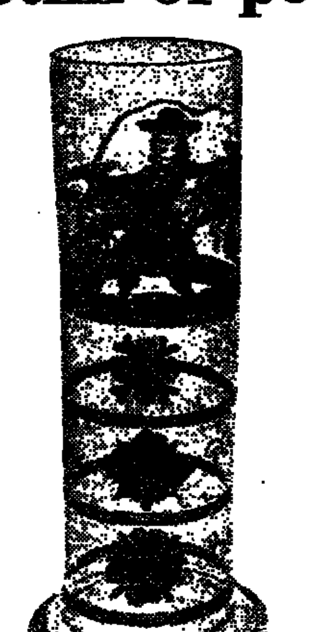
SALEROOM — BY ANTONY THORNCROFT

Pottery victim of pound fall

THE fall in the international value of the pound usually helps the London salerooms—it makes their prices seem that much cheaper to foreign buyers. But yesterday Christie's was the victim of currency fluctuations.

A collection of Italian maiolica, in particular three large dishes probably made in Venice in the mid-16th century, failed to sell because their reserve prices had been fixed early in the summer in a foreign currency and had to be raised appreciably to make to-day's sterling equivalent. In addition the most highly regarded lot, a Castel Durante blue-ground dish of 1528, was bought in below its £5,000-£7,000 forecast.

These items apart, the auction of Continental pottery went quite well, with a total of £83,438. A Faenza Berrettino dish of 1532, shaped like a cardinal's hat, sold for £5,000 to a German dealer, Hockemeyer, who also paid £2,900 for an Urbino Istoriato dish. A Castel Durante blue-ground Tondino of 1525 was bought by Graffi for £2,600. The feature of the sale was the good prices for Dutch Delftware. A set of three blue and white tobacco jars was sold to E. Vandekar for £1,700, well above the £300-£500 estimate.



This German glass of 1725 sold for £2,400 at Sotheby's yesterday.

An enamelled German Passglas of cylindrical shape and made in 1725 sold for £2,400 at Sotheby's to a German private buyer. The price was around double the forecast and was the best result in a glass and paperweight sale which totalled £51,723, with 11 per cent. bought in.

Among the paperweights a Baccarat flat bouquet weight was just below target, selling for £2,400 to Allen Tillman, a London dealer. Similar weights sold for £420 in 1957; £720 in 1962; £1,200 in 1971; and £2,100 in 1973, showing the sharp rise, and more recent stabilisation, in paperweight prices. He also paid £1,300, below forecast, for a rare St. Louis green-aventurine ground weight.

On the first day of a two-day Sotheby's book sale £950 was paid for the lavishly illustrated book by the Duke of Newcastle on "A General System of Horsemanship," published in 1743. A first edition of "The Widdow," a comedy attributed to Johnson, Fletcher and Middleton, published in 1652, sold for £700, more than double the forecast.

At Phillips an 18th-century Chinese black lacquered table with gilt ornament sold for £2,500 to an American, Hendrick, in a furniture sale which realised £34,843. It had been estimated at £800 and had two broken legs.

TENNIS — BY JOHN BARRETT

Britain leads in second week of Trophee Pernod

WEST HANTS, Tennis Club in Bournemouth plays host to the Trophee Pernod this week in staging the second tournament of a three-week circuit in Scotland, England and Wales that is revitalising British indoor tennis. Last week the circuit opened in Perth and on Sunday the players will move from Bournemouth to the Afan Lido in Port Talbot for the final stage.

The Trophee Pernod, which provides match play for younger players in a normally quiet period of the season, is an under-21 international singles competition involving two men and two women teams from five overseas nations and Britain. Along with these events are two open singles draws which have attracted many of our ranked women and, this week and next, our top-ranked man Mark Cox, returning to England, as well as our bright, developing players.

Nylon surface

The circuit's opening at the Bell's Sports Centre in Perth was a day late because the plastic court playing surface did not arrive from America. But local carpet manufacturer Barry Staines supplied a nylon surface that was fast and pleasant to play on.

National team manager Paul Hutchins sent the strongest teams to Perth and he was rewarded by seeing British players reach the finals of both sections of the Trophee Pernod to record a maximum 20 points each.

The newly crowned junior champion (under-18) Andrew Jarrett of Derbyshire won the men's section and 12 points by beating the national under-21 champion, John Whiteford, who earned eight points. In a spirited semi-final, the Sussex boy beat Sweden's promising Ulf Erikson, who earned five points.

The tall Dutch left-hander Tago Gorter also scored five points. Team-mate Renee Heffles, in the quarter-finals, earned three points, which put Holland in second place with Sweden third and Canada, France and West Germany equal on three points.

In the women's section Linda Mottram, struggling to regain form to protect her fourth place in the national rank, beat Cheshire's Belinda Thompson, who is eight places below her. Swedish girls Elisabeth Ekblom and Marti Lindqvist reached the semi-final to put Sweden in second place with 10 points.

The men's open tournament was won by David Lloyd who played an important part in this year's Davis Cup revival. He beat his youngest brother Tony who, at 20, shows signs of emerging from the shadows of David and 22-year-old John [who] has recently scored notable [vic]tories over the third- and [...] ranked Americans, [Roscoe] Tanner and Stan Smith in [Los] Angeles.

Early upset

There was no recogni[tion of] the national rankings [in the] women's section. The upse[t was] the early demise of fifth [...] Michele Tyler, a member [of the] Wightman Cup squad [that] meets the Americans next [...] who lost to one of the [...] juniors, Ann Hobbs of Ch[...]. The event was won by [...] ranked Lesley Charles, [a] member of the Wightman [Cup] squad, who beat Devo[n's] Corinne Molesworth.

With more tournaments [...]ing the international [...] pleasing to see a British [...] vying for the services of le[ading] performers. The arrival [...] this week will add the [...] class necessary if spectato[rs are] to be lured to cold and dra[ughty] halls on autumn evenings. [It will] take a circuit of this kind [some] time to establish itself, [and it] will be a pity if the entha[siasm] shown by the youngsters [on the] courts is not transmitted [to the] tennis-loving public.

WINE — BY EDMUND PENNING-ROWSE[LL]

Regal vintages of republican Italy

BAROLO, many committed Italian republicans claim, is "the king of wines." Its regal stature is doubtless based on high alcoholic strength, deep rich colour and powerful aroma and strength. It has a rival for the title in red burgundy, though the latter is softer, less dominating. Certainly Barolo is a wine of considerable character and individuality, and has a firm case for being among the best Italian wines. If one looks for something a little less powerful, then Barbaresco, its neighbour near Alba in Piedmont, may fairly claim its share of vinous blue blood. When the top controlled class of Italian wines *controllata e garantita*, is put into effect, the first two will be Barolo and Barbaresco.

Both are made from the Nebbiolo grape, a variety almost entirely confined to Piedmont. The name comes from *nebbia*, fog, for the vintage often takes place during the misty weeks of autumn in this very attractive hilly country about 20 miles south of Asti, of Spumante fame. The river Tanaro, a tributary of the Po, runs through Alba, and marks a dividing line in the quality of the local wines. The best, including Barolo and Barbaresco, are grown on the right-bank side: Barolo in a lovely hill-village-topped valley to the south of Alba; Barbaresco in narrower, steeper valleys to the east and north-east of this busy Piedmontese wine capital, which also accommodates an important oenological school.

Production area

The production of Barolo is limited to nine communes, in whole or in part. The more important include Barolo itself, La Morra, a charming large village, 1,600 feet above sea-level, with a superb view over the vine-covered valley, Verduno and Grinzane, whose severe-looking castle was long owned by Cavour and now houses the local "order," which promotes not only the wine but also the district's celebrated white truffles. Then there is Castiglione Falletto in the centre of the valley and Serralunga, once the home of the Contessa di Mirafiore, mistress and later wife of Victor Emmanuel II, and now owned by the large firm of Fontanafredda.

Barbaresco, smaller, more rustic and lacking the aristocratic associations of Barolo, though it has a ruined castle, is confined to the communes of Barbaresco, Neive, Treiso and a small part of Alba itself.

Production in both areas has greatly increased in the last decade. In the good vintage of 1967 Barolo produced only 32,000 hl and Barbaresco 9,000 hl, but the general upsurge in Italian viticulture, following the adoption of the Denominazione di Origine Controllata system, has particularly helped the more important districts, with substantial increases in planting. Last year Barolo produced 60,000 hl., Barbaresco 25,000 hl.

Curiously enough, although Barolo has been made for centuries, it has not been known under that name for much more than a hundred years. For previously, it was called Nebbiolo di Barolo. In the middle of the last century, however, the Marchese di Barolo, who dwelt in the castle that still dominates the village of Barolo, decided to call his wine just Barolo; and in this he was followed by all others within an area later delimited. The Marquess died in 1861, and his property was bought by a company that markets its wines under the label Marchesi di Barolo. The oldest bottle in their possession bearing the name Barolo is dated 1859.

The Mirafiore estate at Serralunga, started as a vineyard in 1878 by the son of King and Countess, went bankrupt in 1931 and was acquired by a company which changed the estate name to Fontanafredda. This has been developed considerably since the last war and now owns 130 ha in five different districts, though not all are under vines. Of these 80 ha are in Barolo, but the firm, whose products are sold in this country by Gilbeys, also buys in grapes.

There are several other firms of importance in Barolo, including Ratti of La Morra (Avery's of Bristol represent them here), Kiola, bought a few years ago by Gilbeys, while in Castiglione Falleto there is Giri and the only Barolo co-operative, which sells its wines under the label of Terre del Barolo. Founded only in 1959, it now has 550 members, nearly half the 1975 total of 1,258 growers producing Barolo or the grapes to make it.

Fermentation

Perhaps the most distinguished firm of all is Pio Cesare in Alba itself, a firm founded in 1881 and owning no vineyards, though it has bought grapes from the same growers for generations. It believes in a classical slow fermentation, with the must lying on the skins for two months, and the wines remaining in cask for anything up to eight or nine years. When bottled it is at once marketed. Legally Barolo has to be matured for at least three years, two of them in wood. After four years it may be called *riserva*, after five years *riserva speciale*. I found their '67 Barolo and '67 Barbaresco both excellent, if at their peak, as is the case generally with this vintage. Indeed, Barbares[co, a] lighter wine that does not [nor]mally keep so well, is usual[ly at] its best after five or six [years]. Its minimum maturing peri[od is] one year less than for Ba[rolo] and this applies also to [the] *riserva and riserva spe[ciale]* categories.

Some growers, Ratti at Morra, for example, believ[e in] a fairly quick fermentation [for] sale after four or five y[ears]. Currently the '70s and '71s [are] commonly found available i[n the] district.

Barbaresco may be lowe[r in] strength than Barolo: 12.5° [com]pared with 13°. The firm [with] the leading reputation is [...] dating from 1850, and produ[ces] wine only from its own 50 [...] though not more than [...] 2000 hl are sold as Barbar[esco]. This is by no means a c[heap] wine, for ex-cellars price [of a] bottle of the '71 (no light [wine] this at 14.3°) is L4500, or al[most] £3, and is mostly bought by [cus]tomers within Italy. A '58 [Bar]baresco that was opened for [...] was remarkably fine.

Private growe[rs]

Next door to Gaja in [Bar]baresco is the co-opera[tive] Productori del Barbaresco [with] 48 members out of the [...] growers. It is much easier in [a] small area for private grower[s to] thrive on their own. For [my] taste, I am inclined to pr[efer] Barbaresco to Barolo, for b[eing] less powerful, and others in [...] expressed the same view. Ba[rolo] is for strong meats and [...] occasions.

In addition to firms act[ually] situated in the delimited a[reas] there are others who buy gr[apes] and make the wine in adja[cent] districts. The most notabl[e of] these is probably Bersan[o of] Nizza Monferrato, about 20 [...] north-east of Alba, and contr[olled] by Seagrams, the Canadian [dis]tilling group. Bersano does, [how]ever, own the old castle and [...] of Barbaresco. One of the [prob]lems holding up the granti[ng of] *garantita* status to Barolo [and] Barbaresco is disagreeme[nt as] to whether the wine will [have] to be made and bottled "i[n the] zone of origin" or "in the [zone] of production," a subtle [differ]ence that arouses strong fee[lings].

The youngest good ye[ar to] drink both wines now is [...] exceptionally fine vintage [...] which most growers would [...]cate longer keeping. The[y] are probably now at their [...] '72 was poor, '73 medium, '74 is expected to turn ou[t as] well as '70. It is too ear[ly to] predict the quality of '75, [but it] was certainly good. Both [...] benefit from prior opening [for] several hours. If regal, these are kings to be kept[...]ing.

TV/Radio

† Indicates programme in black and white.

BBC 1

7.05 a.m. Open University (UHF only). 9.38 For Schools, Colleges. 12.45 p.m. News. 1.00 Pebble Mill. 1.45 Mary, Mungo and Midge. 2.00 You and Me. 2.14 For Schools, Colleges. 3.20 Fo A Fe. 3.53 Regional News (except London). 3.55 Play School. 4.20 Huckleberry Hound. 4.25 Jackanory. 4.40 Animal Magic. 5.00 John Craven's Newsround. 5.10 The Great Grape Ape. 5.20 Bailey's Comets. 5.35 Noah and Nelly in Skylark.

5.40 News.
5.55 Nationwide.
6.45 Lassie in "The Road Back."
8.00 The Dick Emery Show.
8.30 Mastermind.
9.00 News.
9.25 International Show Jumping: 1976 Horse of the Year Show.
10.45 To-night.
11.25 Weather/Regional News.

All regions as BBC 1 except at the following times:

Wales—5.55 p.m. Wales To-day. 6.45 Heddiw. 7.10 Campus! 7.35 To-morrow's Europe. 11.25 News and Weather for Wales.

Scotland—5.55-6.45 p.m. Reporting Scotland. 11.25 News and Weather for Scotland.

Northern Ireland—3.53-3.55 p.m. Northern Ireland News. 5.55-6.45 Scene Around Six. 8.30-9.00 Spotlight on what matters to people in Northern Ireland. 10.45 Mastermind. 11.15 News and Weather for Northern Ireland.

England—5.55-6.45 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South West (from Plymouth).

BBC 2

6.40 a.m. Open University.
9.30 Conservative Party Conference.
11.00 Play School.
11.25 Conservative Party Conference, and at 2.30 p.m. the afternoon session.
5.25 Open University.
7.05 Zarabanda.
7.29 Weather.
7.30 Newsday.
8.15 Floodlit Rugby League for the BBC2 Trophy.
9.00 The Goodies.
9.30 The Water Margin.
10.15 Summer of 76.
11.05 Late News on 2.
11.15 The Old Grey Whistle Test.
11.55 Closedown: John Westbrook reads "The Stag," by Ted Hughes.

LONDON

9.30 a.m. For Schools. 10.41 Conservative Party Conference. 11.05 For Schools. 12.00 King Wilbur III. 12.10 p.m. Rainbow. 12.30 Which Craft? 1.00 News plus weather, FT index. 1.20 Lunchtime To-day. 1.30 The Cedar Tree. 2.00 Good Afternoon. 2.25 Conservative Party Conference. 3.50 Emmerdale Farm. 4.20 The Arrows. 4.45 Magpie. 5.15 Out of Town.

5.45 News.
6.00 To-day.
6.40 Crossroads.
7.05 "The Great Niagara," starring Richard Boone.
8.30 Spring and Autumn.
9.00 Dickens of London.
10.00 News.
10.30 Tuesday Thriller: "The Abominable Dr. Phibes," starring Vincent Price and Joseph Cotten.
12.15 a.m. Letter.

All ITV regions as London except at the following times:

ANGLIA

1.25 p.m. Anglia News. 2.00 Houseparty. 5.15 The Muppet Show. 6.00 About Anglia. 7.00 Survival Special. 8.00 Cilla's World of Comedy. 10.30 The Collaborators. 11.30 Angling Today. 12.00 The Food of Love. 12.30 a.m. Anthology.

ATV MIDLANDS

1.20 p.m. ATV Newsdesk. 5.15 ATV Today (Part One). 6.00 ATV Today (Part Two). 7.00 The Magician. 8.00 Cilla's World of Comedy. 10.30 Tuesday Movie: "Hard Contract," starring James Coburn and Lee Remick.

BORDER

†1.20 pm. Border News. 2.00 Houseparty. 5.15 Out of Town with Jack Hargreaves. 6.00 Border News and Lookaround. 7.00 Emergency. 8.00 Cilla's World of Comedy. 10.30 TV Movie. Hec Ramsey. †11.52 Border News Summary.

CHANNEL

†1.20 p.m. Channel Lunchtime News and What's on Where. 5.15 Return to the Planet of the Apes. †6.00 Report at Six. 7.00 Combat. 8.00 Cilla's World of Comedy. †10.30 Caring for History. 11.05 TV Movie. "Daughter of the Mind." 12.25 a.m. Commentaires et Previsions Meteorologiques.

GRAMPIAN

1.20 p.m. Grampian News Headlines. 5.15 Breaktime. 6.00 Grampian Today. 6.10 The Flintstones. 7.00 The Magician. 8.00 Cilla's World of Comedy. 10.30 Bill Barclay—Abridged Version. 11.00 The World of Jason King. 11.55 Evening Prayers.

GRANADA

†1.20 p.m. House of Treasures. 5.10 This is Your Right. 5.15 Crossroads. 6.00 Granada Reports. 6.35 The Tuesday Movie: "The Great American Beauty Contest," starring Eleanor Parker and Louis Jourdan. 8.00 Cilla's World of Comedy. 10.30 Hawkins. 11.50 The Nature of Things.

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Houseparty. 5.15 Chucklehead. 5.20 Crossroads. 6.00 Report West. 6.17 Report Wales. 6.35 Mr. and Mrs. 7.05 The Tuesday Mystery Movie: Banacek. 10.30 Police Story. 11.30 Phyllis.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 4.20 Miri Mawr. 4.45-4.05 Wstibethna. 6.00-6.17 Y Dydd. 10.30 America—Y Barduwrs Bell. 11.15-11.30 World in Action.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.17-6.35 Report West.

SCOTTISH

†1.25 p.m. Road and Weather Report. 2.00 Houseparty. 5.15 Kim. 5.20 Crossroads. 6.00 Scotland Today. 6.30 Write to Isabel. 6.40 TV Movie: "Class of '63." 8.00 Cilla's World of Comedy. 10.30 Between the Lines. 11.00 Late Call. 11.05 The Streets of San Francisco.

SOUTHERN

1.20 p.m. Southern News. 2.00 Houseparty. 5.15 Sinbad Junior. 5.20 Crossroads. 6.00 Day by Day. 7.00 Emergency. 8.00 Cilla's World of Comedy. 10.30 "The Two Faces of Dr. Jekyll," starring Paul Massie and Dawn Addams. 12.10 a.m. Southern News Extra.

TYNE TEES

9.25 a.m. Starting Point. 1.20 p.m. North East News and Lookaround. 5.15 Batman. 6.00 Northern Life. 7.00 Emergency. 8.00 Cilla's World of Comedy. 10.30 The Tuesday Film: "Vanished." 12.15 a.m. Epilogue.

ULSTER

1.20 p.m. Ulster News Headlines followed by Lunchtime. 2.00 Houseparty. 3.48 Ulster News Headlines. 5.15 Breaktime. 6.00 UTV Reports. 7.00 The Big Valley. 8.00 Cilla's World of Comedy. 10.30 Streets of San Francisco. 11.30 Furnishing on a Shoestring.

WESTWARD

12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 5.15 Return to the Planet of the Apes. 6.00 Westward Diary. 7.00 Combat. 8.00 Cilla's World of Comedy. 10.30 Politics West. 11.02 Westward Late News. 11.05 TV Movie: "Daughter of the Mind," starring Ray Milland and Gene Tierney. 12.25 a.m. Faith for Life.

YORKSHIRE

1.20 p.m. Calendar News. 5.15 David Niven's World. 6.00 Calendar (Emley Moor and Belmont editions). 7.00 Emergency! 8.00 Cilla's World of Comedy. 10.30 "Vanished," starring Richard Widmark.

RADIO 1

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Paul Burnett: New Top 30 discs, including 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) (also on VHF). 4.30 It's D.L.T. OK! 5.45 Newsbeat. 6.02 John Dunn (S) (joins Radio 2). 11.00 John Peel (S) (also on VHF). 12.00-12.05 a.m. As Radio 2.

RADIO 2

6.00 a.m. News Summary. 6.02 Colin Berry (S) including 6.15 Pause For Thought. 7.02 Terry Wogan (S) including 8.27 Racing Bulletin, 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House (S) including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.58 p.m. Sports Desk. 1.55 Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1, but including on 1,500m only 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 John Dunn (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Beat the Record. 7.30 Robin Richmond: The Organist Entertains (S). 8.02 Ragtime to Rock 'n' Roll. 9.02 Among Your Souvenirs (S). 10.02 Sports Desk. 10.07 BBC Radio Orchestra (S). 11.02 Ruth Cubbin with The Late Show (1,500m only, also 202m Scotland, VHF joins Radio 1). 12.00-12.05 a.m. News.

RADIO 3 464m, Stereo & VHF

‡ Medium Wave only

†6.55 Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Vaughan Williams (S). 9.50 Academy of the BBC (S). 10.50 Festival Recital, part 1: Schubert, Prokofiev (S). 11.30 In Short (talk). 11.40 Festival Recital, part 2: Franck (S). 12.10 p.m. Cardiff Midday Prom, part 1: Haydn, Mozart (S). 1.00 News. 1.05 The Arts Worldwide. 1.20 Cardiff Midday Prom part 2: Handel, Mozart (S). 2.05 Schumann's Piano Music (S). 2.45 A Little Light Music (S). 3.30 Teresa Berganza song recital, part 1 (S). 4.05 Interval Reading. 4.10 Teresa Berganza, part 2. 4.55 Jazz Today (S). 5.25 John Williams and Friends (S). ‡5.45 Homeward Bound. ‡6.05 News. ‡6.10 Homeward Bound (continued). ‡6.30 Lifelines: Work and Training. 7.30 BBC Scottish Symphony Orchestra, part 1: Walton, Sibelius (S). 8.15 Speaking For Myself (talk by Professor Sir Hermann Bondi). 8.35 Concert, part 2: Brahms (S). 9.25 Drama Now (S). 10.25 Luciano Berio concert, part 1 (S). 11.05 Interval Reading. 11.20 Luciano Berio, part 2: 11.55-12.00 News.

RADIO 3 VHF only—6.00-7.00 a.m. and 5.45-7.30 p.m. Open University.

RADIO 4

434m, 330m, 285m and VHF

6.20 a.m. News. 6.22 Farming Today. 6.40 Prayer for the Day. 6.45 Today. 7.00 News and more of Today including 7.25 (VHF) Regional News and 7.45 Thought for the Day. 8.00 News and more of Today including 8.25 (VHF) Regional News. 8.50 Yesterday in Parliament. 9.00 News. 9.05 Tuesday Call. †10.00 News. †10.05 From our own Correspondent. 10.30 Daily Service. 10.45 Morning Story. †11.00 News. †11.05 Down Your Way. †11.45 John Bird with the BBC Sound Archives. 12.00 News. 12.02 p.m. You and Yours. 12.27 Forces' Chance. †12.55 Weather, Programme news VHF (except London and SE) Regional News. 1.00 The World at One. 1.30 The Archers. 1.45 Woman's Hour (? from 2.00) including 2.00-2.02 News. 2.45 Listen With Mother. 3.00 News. 3.05 John Caldicate. 4.00 News. 4.05 Gardeners' Question Time visits Penarth. 4.35 Story Time. 5.00 PM Reports. †5.50 Financial Report (VHF Regional News. 5.55 Weather; Programme news. 6.00 News. 6.15 My Word! (S). 6.45 The Archers. 7.00 News. 7.05 The World in Focus. 7.30 BBC Scottish Symphony Orchestra, Part 1 (as Radio 3) (S). 8.15 Speaking for Myself (as Radio 3). 8.33 Concert, Part 2 (as Radio 3) (S). 9.25 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.45 A Book at Bedtime. 11.00 The Financial World Tonight. 11.15 Today in Parliament. 11.30 News.

For Schools (VHF only) 9.10 a.m.-12 noon and 2.00-3.00 p.m.

BBC Radio London

206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Susie Barnes with Rush Hour. 9.00 News Extra. 9.20 John Touzmod with London Live. 11.03 Jenny Thompson and Diana Rice with In Town. 12.03 p.m. Call In, including 12.45 London News Desk. 2.03 Paul Owens with 206 Showcase. 4.03 Tony Fish with Home Run, including 4.50 and 5.50 London News Desk. 6.00 Look, Stop, Listen. 7.30 Jenny Thompson and Diana Rice with In Town (as 11.03 a.m.). 8.30 All That Jazz. 10.03 Late Night London. 12.00 Closedown—As Radio 2.

London Broadcasting

261m and 97.3 VHF

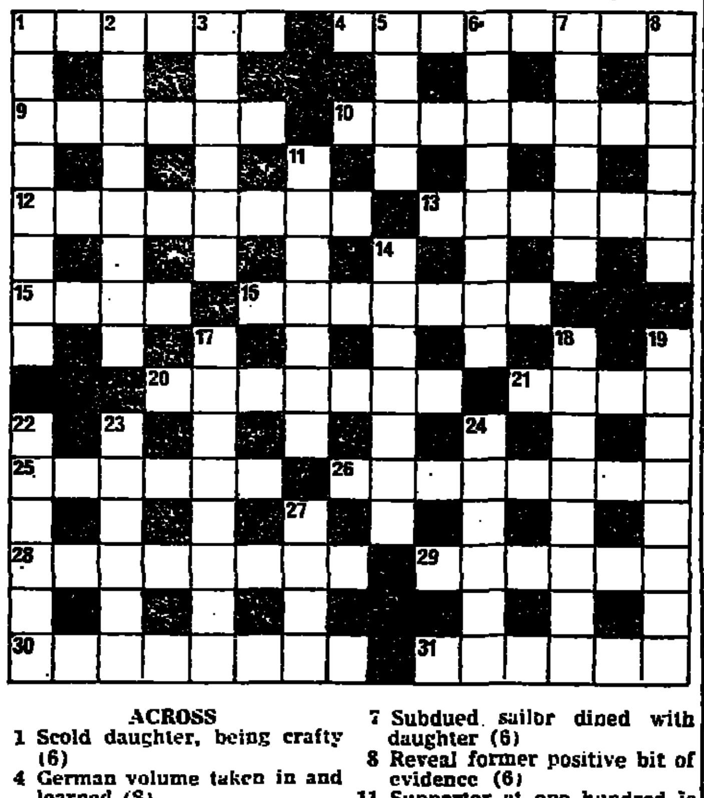
5.00 a.m. Morning Music. 6.00 "AM"—breakfast-time show. 10.00 Brian Hayes—talking to London. 1.00 p.m. Newswatch. 5.00 Newsbreak. 8.00 Music in Stereo. 9.00 Nightline. 1.00-4.30 a.m. Nightwatch—news every half-hour through the night.

Capital Radio

194m and 95.8 VHF

6.00 a.m. The Breakfast Show. 9.00 Michael Aspel. 12.00 Dave Cash: Cash On Delivery. 3.00 p.m. Roger Scott. 7.00 London Today. 7.30 Open Line. 9.00 Nicky Horne: Your Mother Wouldn't Like It. 11.00 Tony Myatt: The Late Show. 2.00-6.00 a.m. Night Flight.

F.T. CROSSWORD PUZZLE No. 3,200



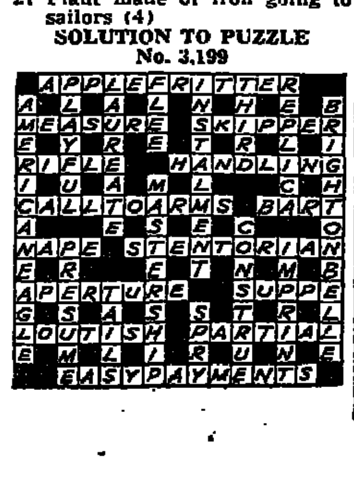
ACROSS

1 Scold daughter, being crafty (6)
4 German volume taken in and learned (8)
9 Not just a French festival (6)
10 Sacked a politician for dangerous gas (8)
12 Area beside temple, appropriate to Eastern leader (8)
13 Fools going to south for estimate (6)
15 Born and died in want (4)
16 Display leaf in front of a book (7)
20 Intercede now if I'm in front (7)
21 Charge about a pound and run away (4)
25 Vindicate English in a word of praise (6)
26 She-devil producing disorder (8)
28 The end plot—a passing place . . . (5-3)
29 . . . and appropriate transport for late passenger (6)
30 Chap getting older but coping (8)
31 Search out vicar in bases (6)

DOWN

1 What may be put into the body may be overeating (8)
2 Improved shape in part of wood-wind instrument (8)
3 The power of a Western crew (6)
5 Title I put up in flag (4)
6 Service uniform on male leader of Guards (8)
7 Subdued sailor dined with daughter (6)
8 Reveal former positive bit of evidence (6)
11 Supporter at one hundred is zealous . . . (7)
14 . . . one may be sure (7)
17 Be shifty and take selfishily as an animal (8)
18 More ingenious and caught always with energy between both hands (8)
19 With reckless determination he will be going to Northern Territory (4-4)
22 Money order, but it's irregular (6)
23 Stay behind and give note to chief (6)
24 VIP is a big one, but when it follows, stop (6)
27 Plant made of iron going to sailors (4)

SOLUTION TO PUZZLE No. 3,199



...tional Gallery

The golden age of Dutch art

by DENYS SUTTON, Editor of Apollo

...e aim of the new exhibition ...he National Gallery is to ...nt a picture of Dutch art ...e 17th-century. This is a ...able project for those who, ...Fromentin, nourish a par...ar affection for Dutch paint... ...of the Golden Age and for ...Netherlands.

...e English affection for ...h painting is an old affair, ...ng back to the days of ...les I who owned a Rem...dt portrait and Charles II ...employed the superb ...ne-painter, Willem Van de ...e the younger. One of the ...itects who gave The Hague ...special character, the ...enot refugee Daniel Marot, ...worked in England. The ...o-Dutch relationship, which ...ked the theme for a notable ...bition at the Victoria and ...rt Museum some years ago, ...culturally fruitful, and one ...ento is Dyrham Park, near ..., which used to belong to ...Blathwayts and is now the ...erty of the National Trust.

...ring the 18th century, Cuyp ...me a favourite of English ...ctors—the Marquess of ...and was an admirer of this ...—and various Dutch pain... worked in England. How... many of the finest Dutch ...net paintings entered French ...ctions, such as those of Mme ...Verrue and the Duc de ...seul, but with the Revolu... the hardships caused by the ...inental blockade and the fall ...he Empire, a high propor... of these pictures, as well ...hose in Dutch collections, ...sed the Channel. Buyers in...ed the Duke of Wellington, ...secured *The Egg Dance* by ...Steen, which is a perfect ...tration of the Wölfflinian ...ept of the Baroque diagonal. ...though excellent Dutch ...tings have *left the country* ...ecent years, many outstand... ...ones remain in private hands ...with customary generosity ...r owners (despite the insults ...ed at them by the Left) have ...to the National Gallery. ...loans, as well as those ...Dutch museums, enhance ...exhibition which chiefly con... of the Gallery's own col...on. What a pleasure it is to ...the wonderfully dramatic ...*ty Pieces of Silver*, by Rembrandt, or this master's *Old Woman Reading* (Buccleuch collection), or the Devonshire and Proby paintings by Hals.

The exhibition offers many subtle pleasures. The visitor is made aware of the feeling for quality which was a dominating characteristic of Dutch painting, of its superb technique, and its practitioners' love of tone, rich materials and nature. No doubt this passion for tactile values, if we wish to adopt the point of view of a Taine, is partly to be accounted for by the feeling of freedom and delight that arose from being liberated from Spanish domination: a variant of this sort of rejoicing in materialism, but without any artistic expression, took place in Germany after Dr. Erhard's "miracle."

In this exhibition, an attempt has been made to represent aspects of Dutch seventeenth-century art other than painting, such as silver, furniture, tiles and sculpture. Most come from the Victoria and Albert Museum. There is a danger that token representation provides a truncated view of certain sides of Dutch art: sculpture is an example, for in seventeenth-century Holland as in England of the same period, remarkable funerary sculpture was produced.

Unfortunately, graphic art is absent, but if the aim of the show is to provide a general view of artistic achievement of the Golden Age, drawings and prints are essential: they permit aspects of life and art to be presented in greater depth—for instance, the world of the theatre. The stage exerted considerable appeal in Holland and not only during the seventeenth century, for in the eighteenth century it had a striking influence on that enchanting master, Cornelis Troost.

The organizers of the exhibition have had to face certain difficulties which are not of their making: for instance, the colour of the walls which is not suitable for Dutch paintings and the layout of the galleries. Perhaps it was a mistake not to have sign-posted the exhibition more clearly for, as it is, the visitor can escape into galleries unconnected with the show, and traffic congestion results when they seek to find their way back.

Old stagers who remember the Dutch exhibitions at the Royal Academy will wonder whether Christopher Brown is right in saying that his exhibition is the first ever held in London "to attempt to give an idea of the range and achievements of this extraordinary period." Those who visited the earlier shows knew that to find out something about the decorative arts of the period they had only to go to South Kensington.

The exhibition is stimulating, but it is by no means easy to follow the logic of the arrangement. If one purpose of the show is to present certain themes, then the catalogue should have brought this out, but this is not the case; the entries are arranged in alphabetical order. The exhibition might have gained in cogency if less had been attempted, and if the guide-lines had been more clearly defined.

Perhaps we would have found our way more easily if a number of simple subjects had been presented: for instance, "the development of portrait painting and the emergence of the group portrait," "the rise of landscape painting" and "Dutch artists and Italy." However, the exhibition may well stimulate further research into artistic affinities: Willem Duyster's *A Man and Woman Playing Tric-trac* has a relationship with Georges de la Tour.

Unfortunately, the catalogue, which has informative entries by Christopher Brown, does not contain a proper introduction presenting the highlights of the art of the period. Mr. Brown is too modest not to have attempted to undertake this attractive task, and the average visitor who is advised to consult the Rosenberg, Slive and ter Keuile Pelican history of Dutch art is unlikely to have it on his shelves, and in any event the impresario ought to present his own interpretation.

There is, in fact, much that is worth knowing about the political and religious background; for instance, the comment is often made that Dutch seventeenth-century art was the reflection of a Calvinist society but, as Seymour Slive pointed out years ago, many Dutch artists of the time were Catholics, Jan Steen among them.

The exhibition has positive sides. It brings out the grandeur of Rembrandt, as is only to be expected, and his versatility. This is nowhere better seen than in the contrasts in his portraits; the formal ones, such as those of the Trips, show his contemporaries in their patrician distinction, so that it becomes understandable how such pictures appealed to the new rich of the Bode period, and in others he strikes a more intimate note. The newly acquired portrait of Hendrijcke Stoffels is an example of the latter category, and Christopher Brown sees an echo of Venetian colour in the handling.

One opportunity afforded by the show is to compare Rembrandt's vision of human nature with that of Frans Hals. Although the show contains nothing comparable to the *Laughing Cavalier* in the Wallace Collection, it includes Hals's quizzical portrait of a man with his arms akimbo from the Devonshire collection, a pose which may suggest that the sitter was of a melancholic disposition.

Enjoyment, too, may be found in observing how each artist tackles the same sort of subject; music attracted Steen, Metsu, Vermeer and Pieter de Hooch. These are pictures that posesss the intimacy of a life of bourgeois and patrician ease; no wonder the Dutch cabinet painting appealed to French painters and collectors of the eighteenth century! Thoré-Burger is always given the credit *for being the first to spot the* genius of Vermeer, but the Goncourts, great lovers of the dix-huitième, wrote about this artist earlier.

The range of landscape painting in the exhibition is considerable; all the major masters who went in for this genre are present (except for Rembrandt). Cuyp's stature is enhanced by the show, his mastery of light and ability to place his figures so as to form a decorative pattern make him one of the great landscape painters of his age. And for those who prefer a more rugged scene, there is Koninck's large panoramic view. This artist could pick out details and fuse them into an organic whole. The Dutch also excelled in small landscape studies, those by Jan van Goyen and Seghers being especially impressive in this show: however, the inclusion of one of the rare prints by the latter would have provided a juster view of his significance.

The Dutch are the most accomplished painters of still life; both the luxuriant and the austere variety appear at the National Gallery, but sadly no flower paintings are included. Nevertheless, despite its limitations, the exhibition offers considerable pleasure and deserves every success.

Frans Hals: Portrait of a Man (detail)

New Theatre, Oxford

Glyndebourne Touring Opera

Glyndebourne Touring Opera began its short Oxford season last week with a performance of Verdi's *Falstaff* in the Jean-Pierre Ponnelle production (reproduced by Julian Hope) that had opened the 1976 festival. Ponnelle's view of the opera struck me then as musically insensitive to the point of destructiveness, spuriously effective in its concern with tightly regimented stage patterns, but dramatically insubstantial, cynically substituting decorative elaboration for perception of character. The Oxford performance did not, alas, encourage one to rescind that judgment.

What sort of Verdi producer is he, after all, who would blot out the magical close of Act III, scene 2, with its offstage exchanges, wisps of woodwind and premonitions of forest darkness, by imposing on the action that entirely gratuitous and pointless byplay with Bardolph and Pistol? This was a single, painful moment among too many when the production crashed in on the music, mishearing or (more wilfully) ignoring its import. We need a new name for this sort of Italian opera comedy reading, geared to reworking, if not actually supplanting, the libretto, to giving a non-Italian audience a superficial and illusory sense of "following" the Italian text. "Production" is entirely too loose, too generous, a term.

Having said this, I must yet own to finding the musical side of this performance a good deal more persuasive and pleasing than the one I encountered in Sussex. Both were conducted by Kenneth Montgomery; the difference between the two was the sensitivity manifest by the conductor last Tuesday to the textures of the orchestral fabric, his willingness to trace those endlessly developing and recuring melodic strands with a lyrical relaxation and ease that supplied some of the benign, golden atmosphere so much missed on stage. The playing of the Bournemouth Sinfonietta, resident orchestra for the tour, was impressively full-blooded and also delicate, particularly alive to the sudden darts of colour that are only one among countless pleasures of this inexhaustible score.

Then, the cast, led by the vocally rousing if not as yet very searching Falstaff of Jonathan Summers, was now far readier to play to one another, in a personal, particular manner one had assumed ruled out by the style of production. There was a lovely, laughing camaraderie between the ladies (all, with the unfortunate exception of Elizabeth Gale's Nannetta, too young-looking, and all unappealingly made up), their leader the enchanting and vocally insouciant Alice of Teresa Cahill. Enid Hartle's Quickly lacks ripe organ tone below the stave; the absence of fruity exaggeration *was welcome compensation.* There was a new (to me) Ford in John Rawnsley, whose notably well-focused dark baritone suffered a curious eclipse whenever he turned sideways, but with just the right smouldering threat in his presence. He, and all the others, would have been twice as effective in English. Any British takers for Andrew Porter's new translation?

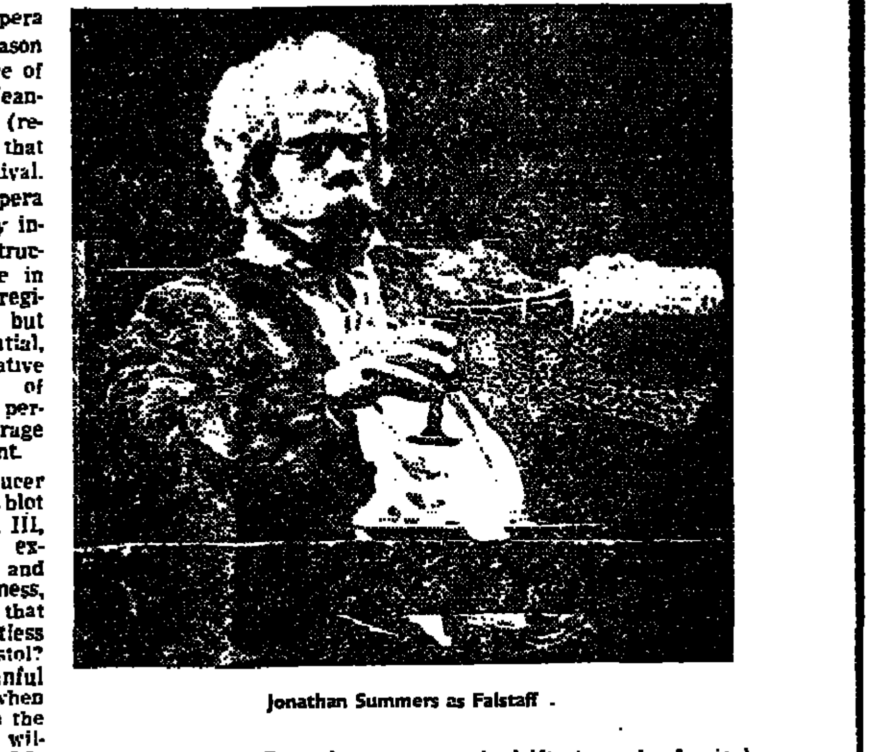
Strauss's *Capriccio*, in John Cox's celebrated 1920s-style production, and with Mr. Montgomery as graceful and careful conductor, was given in the idiomatic and attractive English translation of Maria Massey. The evening was itself a delight, to which the large audience's close attention to the text played no small part (though they must have been disconcerted, even more than Glyndebourne audiences, to hear these cool drawing-room figures talking of Gluck, Goldoni and Voltaire—and then later of Sousa marches!). Much of the polish has rubbed off on the new young cast, who assume the Mr. Cox's attitudes of mild, sophisticated comic exchange with admirable *appetite. The dramatic advantages* of the up-dating have been so often listed that it is perhaps again time to register a mild note of disquiet at the flapperish posing into which the Countess and Clairon are tempted. Strauss's music may not necessarily be best served by the manners of the original 18th century salon setting; but to its smooth, seamless developmental ebb and flow a slinky clothes-horse of a Countess and an It-Girl of an actress provided an odd at times slightly grating counterpoint.

But the freshness of the young cast brought sincerity to the expression of emotions whose part in the dramatic scheme of the work sometimes seems more formal than passionate. Richard Berkeley Steele, despite a somewhat insecure condition of voice on Thursday, was the perfect wide-eyed, blazered and baggy-trousered young Flamand, finely balanced by the sharper intellect and challenge of Richard Jackson's Olivier. Their words were eloquently clear, as were those of Ian Caddy as an endearingly chummy Count, his voice in excellent strong and certain trim, and Malcolm King, a broad and engaging La Roche (only slightly under strain towards the end of the long tirade).

Amusing cameos, given the general drift towards farcical exaggeration, from Phyllis Cannan (Clairon), and Eduardo Valazco and Patricia McCord (the Italian singers); and, at the centre of it all, Felicity Lott, evading the challenge of Elisabeth Söderström by being as unlike that consummate artist as possible and yet still successful as the Countess Young blonde, at first diffident, then gradually blossoming, her pure and radiant soprano shining with effortless beauty atop the fullest texture, she had not always completely worked Mr. Cox's column-hugging and sofa-lounging bits of business into her own characterisation; but the gentleness, the quiet distinction, the musical finesse are all rare qualities.

Between the two, on Wednesday, a rather dispiriting *Figaro*, neither dramatically as sharp-edged as the Peter Hall production (reworked by Christopher Renshaw) has the right to be, nor musically as secure. Diego Masson's conducting was tight edgy, unwilling to expand emotionally and unable to master the linked tempos that forge the long ensembles of Acts 2 and 4 into dramatically charged wholes. From this, the cast appeared to take its tone, all except the vivacious, fully engaged Susanna of Lilian Watson, with her combative charm and bright, flashing eyes. (Miss Watson's expressive eyes were a feature quite unmirrored by the general dullness elsewhere, as was her effective management of Italian vowels. Some extraordinary perversions of the language were heard in other mouths.) No *Figaro* is ever without some sudden flash of illumination; here it was the way Cherubino (the vocally unsteady Cynthia Buchan) lit up during "Non più andrai," to fling arms wide in a final farewell gesture of youthful, life-loving confidence—a moment in this production as emblamatic to Cherubino-collectors, as the famous photo of Maggi Teyte in the rôle. But of such moments the evening was otherwise almost completely deprived.

MAX LOPPERT



Jonathan Summers as Falstaff

...stival Hall

Zarathustra

by RONALD CRICHTON

...he big work in Dorati's all-...auss programme with the ...al Philharmonic Orchestra ...Sunday was *Also sprach ...athustra*, a giant score whose ...ands and complexities have ...red it the doubtful blessings ...universal popularity which ...ly overtook *Don Juan* and ...*l Eulenspiegel*. A rather dry ...ading, not calculated to sweep ...audience away, not likely to ...re it, either.

...Dorati paid little attention to ...e sensuous possibilities of the ...sic, he kept the mammoth ...creetly on the move—in the ...st sense this was a useful per...mance, revealing in detail, ...n in shape, good preparation ...the gala type of firework ...play (*Zarathustra* is hardly ...repertory work) which turns ...from time to time.

...The RPO were not in one of ...ir mellow moods, when they ...woo and flatter the ear with ...best of London's orchestras, ...their plain, clear, helpful, accompaniments for their distinguished, warmly-acclaimed soloist, had their virtues. Elisabeth Söderström sang the *Four Last Songs* and the Closing Scene from *Capriccio*. The first song began wanly, but the form was not long in coming, and with simple, direct, well projected singing Söderström was soon conveying more of the essence of Strauss's farewell than sopranos who drench their line in conscious charm and sadness.

In an un-atmospheric concert hall, the *Capriccio* finale takes time to cast the spell. The horn (who must long for the depth and resonance of an opera house pit) has to catch in a few bars what Strauss has (in a stage performance) been preparing with masterly skill the whole evening. Unless the soprano has the fullness of a Flagstad (or a wholly inappropriate shrillness), the orchestra must be scaled down from the sumptuous cushion experienced in the theatre. Dorati and the RPO did this with tact, Söderström was able to let us hear far more words than one catches at Glyndebourne. The audience rose at her.

The Entertainment Guide is on Page 14

...igmore Hall

Anne Queffélec

...he French pianist Anne ...effélec (b.1948) made her first ...jor appearance in this country ...a finalist in the 1969 Leeds ...mpetition. She is an excep...nally talented young artist; ...her recital on Friday even..., for all its undoubted physi... virtues, made a curiously ...nk impression.

...he virtues were substantial: ...s Queffélec has strong and ...le fingers, and plenty of stay-...power. But if her playing ...er lacked force, it often ...ked dramatic, as well as arm ...finger, weight — a certain ...se and presence, romantic in...gence and breadth. The per...mance she began with of ...h's C minor Partita no. 2 was ...one level admirably dextrous, ...ent; and on another, un...ountably austere, like a Glenn ...uld interpretation stripped of its deft and delicate pointing, and sudden flights of fancy.

She took each one of the three movements of Schubert's Wanderer Fantasy very fast—and too relentlessly to catch more than a breathless echo of the scale of the work, its grandness and eloquence. Her five *Miroirs* of Ravel were beautifully formed in the fingers, but seemed to reach no farther than the fingers: readings so close to the page that at times one could barely sense the music for the notes. Strange *Alborado* this, brilliantly thrown off, but menacingly diamond-cut, wholly unmelted, unmelting. Her accounts of two Liszt pieces last, the late *Bagatelle sans tonalité* and *La vallée d'Obermann*, were strangest of all: bright, glittery affairs unmixed with any trace of suppleness or sighing sensuousness or high romance.

DOMINIC GILL

Arts

Tales of the Impecunious Hero

by CHRIS DUNKLEY

In *Tales of the Impecunious Hero* the Unicorn Theatre (weekends at the Arts) has created a drama that is peculiarly well suited to children — much more impressive achievement than you might suppose: so much so-called children's theatre these days is extraordinarily well suited to middle-aged novelists. Charles Phillips' play started as five stories written for BBC Television's *Jackanory* series, and four have been adapted for this play.

There are still four separate tales, about a princess who wants to marry her hairy Jackanapes, about a vain princess with astonishingly long hair, about a powerful wizard who is tricked with the help of the audience, and about a troll marriage, but they are held together as a single play by the presence throughout of the hero and the narrator.

It makes a highly successful afternoon, not least because the action includes many of the *conventional elements of pantomime* — those very elements which have so disappointingly disappeared from the adult variety shows which are now passed off as pantomime.

In *Tales Of The Impecunious Hero* the audience shout out the sound effects of a fight according to signals from a mysterious knight called Sir. Thumpleigh, there is a sensibly brief song to join in all about being impecunious (which is explained), and the wizard habitually appears in a flash and a cloud of smoke.

Best of all, director Ursula Jones has provided for a startling appearance by the troll Slobsina through a trapdoor, leading to one of the best "Look out behind you" sequences that I have seen for a very long time, and ending in a chase around the stalls and through the circle which had the children at our performance shrieking in six parts glee and four parts fright—just about the right ratio—rising to a peak of incredulity and delight in my own children when the hero reappeared shinning down a rope from the circle.

It is a marvellous tonic for any jaded theatre-going grown up.

Using this sort of total theatre to involve the children, I understand (I think) why in the modern manner the curtain is never lowered, even before the *start of the performance, yet I* do think it is a pity: there is great expectation and mystery in a theatre curtain.

Everything else works beautifully, with Brian Forsters' somewhat timid and parent-aged narrator contrasting very satisfactorily with the enthusiastic Nicholas Llewellyn's brave young hero.

Purcell Room

Icelandic music

by DAVID MURRAY

These days only an incurable sentimentalist would expect to discern the country of origin of a new composition by internal evidence. Sunday's programme of chamber music by Icelanders—there was no way of telling how "representative" they were—showed them to be keeping abreast of recent currents, but not to any striking purpose. Excellently played, some nondescript music went down easily enough.

The cellist Hafidi Hallgrimsson, who lives here, has studied with Alan Bush and Peter Maxwell Davies: the influence of the one might notionally be detected in his little songs on verses by (English) children, and of the other in his recent *Fimma* for cello and piano. They displayed a certain mournful sensibility, but were musically as amorphous as could be. A Trio for flute, cello and piano by Thorarinsson had interesting contrapuntal effects within an equally exiguous formal plan: towards the end, a sort of *Lied* in an older manner surfaced unexpectedly, much as a grim Sibelian waltz had appeared suddenly in Palasson's flute-and-piano *Mixed Things*; a virtuoso piece in the tradition and idiom of a good many 1930's concert studies. The Canadian flautist Robert Aitken delivered it with much brilliance and a seductive range of tone-colour.

All these works involved Thorkell Sigurbjörnsson, Professor of Composition at Reykjavik and a resourceful pianist. In the present extra-musical climate, his *Differing Opinions* raised certain expectations, but it proved to be a cod piece of another colour: a trio based on the fashionable game of non-coincident ostinati, it was dressed as sub-temperate whimsy by requiring the players to feign irritable disagreements about tempi. A good ear for contrasting timbres was in evidence, nonetheless. Another Sigurbjörnsson piece, a cello solo called *Mild und (meistens) leise*, was less jokey than its cod-Wagnerian title, and Mr. Hallgrimsson made convincing musical sense of the many trick technical effects written into it. Finally, Sigurbjörnsson's *Caldis*—not the place where the wogs begin, but the son of the North Wind calling up monsters from the deep—brought Mr. Aitken back to do scarcely believable things with his flute, from premonitory breezes through glassy chords and duets with himself to a peroration with the mouthpiece removed: a marvellous *pièce d'occasion*, and a true *tour de force*.

National Theatre Board appointments

Seven new members have been appointed to the National Theatre Board. They are Mr. Rafe Clutton, Professor Philip Collins, Mr. Hugh Jenkins, MP, Mr. Harold Hobson, Mr. Richard Mills, Miss Yvonne Mitchell and Lady Plowden.

Spanish politician gunned down in Basque city

BY ROGER MATTHEWS MADRID, Oct. 4.

A MEMBER of Spain's top constitutional body, the Council of the Realm, and three police officers were machine-gunned to death in the Basque city of San Sebastian to-day. The quadruple killing is the most significant political murder since the death of Prime Minister Carrero Blanco in December, 1973, and will heighten tension as much in Madrid as in the already strife-ridden Basque provinces.

Sr. Juan Maria Araluce Villar—father of nine, 60-year-old president of the Provincial council of the province of Guipuzcoa, member of the 17-man Council of the Realm, and a deputy in the Cortes (Parliament)—died when gunman opened up on his car in the centre of San Sebastian. Three police officers, members of his bodyguard, were also killed as bullets raked an accompanying car. A chauffeur was severely wounded.

Inevitably suspicion has centred immediately on the Basque separatist group, ETA, which claimed responsibility for the murder of Carrero Blanco and has carried out a series of other political assassinations, mainly in the northern provinces. In a recent Press conference in the South of France, ETA announced that one section was planning to form a political party, while another would maintain "military action."

Twice in the past three weeks, the Basque provinces have been hit by almost total general strikes. The first was to protest at the police killing of a young demonstrator, the second in memory of two ETA members who were executed by firing squad just over a year ago.

Sir. Araluce was well known in the Basque provinces as a loyal supporter of the Madrid régime and an opponent of Basque nationalism. His political views are reflected by his membership of the ultra-conservative Council, which has as one of its main functions the selection of three names from which King Juan Carlos may choose a Prime Minister.

Such an important political killing may well have an effect on the short-term progress of the Government's political reform plans. When a member of the National Movement—until recently Spain's only political organisation—was killed in the Basque provinces in early June, the Cortes reacted by refusing to pass an important piece of legislation. This time, the reaction of the ulta-conservative Right is likely to be even more vigorous as the killings come after weekend disciplinary action against two hard-line army generals.

The Right wing is highly indignant at the decision by the King and Government to discipline Lt.-General Fernando de Santiago, until three weeks ago Deputy Prime Minister, and General Iniesta Cano, former head of the Guardia Civil, for their opposition to reform plans. Both men are to be retired early from the army.

Lira perks up as new measures aid Italy

THE LIRA recovered almost 30 points against the dollar on the Milan foreign exchange market to-day, following Friday night's imposition of a 10 per cent. tax on foreign currency purchases. Compared to its Friday night close of 872 — before the new tax, a three-point bank rate increase, and a rise in the proportion of exporters' receipts which must be converted immediately — the currency was quoted at 844 to the dollar at to-day's fixing session, Reuter reports from Rome.

But dealers said trading was virtually at a standstill, with only the Bank of Italy buying a total of about $26.4m. The 10 per cent. tax seems, therefore, likely to achieve its immediate objective of giving the Government a breathing space during which Signor Andreotti, the Prime Minister, made it clear he expects some "clarification" of the position of the West German mark, which could take pressure off other European currencies such as the Lira. His comment to this effect during his television speech on Friday was interpreted by some as a hint of a mark revaluation.

By the time the two-week span of the tax ends, the Government may also be able to produce some concrete results from the Manila IMF conference, in the form of new loans. It is also expected to have announced a series of price increases, particularly in public service tariffs, which may boost confidence in the country's economic future, and the Government's determination to tackle the crisis seriously.

Portugal name change

The National Council of the left-of-centre Popular Democratic Party has decided to change the party's name to the Social Democratic Party, UPI reports from Lisbon. Sr. Francisco sa Carneiro is Secretary-General of the Social Democratic Party, Portugal's second largest with 73 out of 263 seats in the National Assembly. The Socialists have 107 deputies. The Popular Democratic Party was formed in May, 1974 less than a month after the "Flower Revolution" that ended 48 years of dictatorship.

"We have wanted the designation 'Social Democratic Party' since the beginning," a party spokesman said. "But at the time we appeared, another party existed called the Independent Social Democratic Party. We decided the names were too similar and chose 'Popular Democratic Party' instead.

"The other party died a few months afterwards, and we decided this would be a good time to change the name. There won't be any National Assembly or Presidential elections for another four years and this will give people time to get used to it," he said. "We are keeping our symbol and flag—only the letters will change."

PORTUGAL'S FORTHCOMING LOCAL ELECTIONS

Dr. Soares in the dock

BY PAUL ELLMAN

PORTUGAL'S National Assembly reconvenes on Wednesday under the shadow of forthcoming local elections whose outcome will determine the fate of the Socialist experiment in the minority government conducted by Dr. Mario Soares. Although local polling is not scheduled to take place until December 12, the parties are already squaring up for a fight which most expect to be dominated by national issues and which is likely to see many leading politicians stand for local office.

All four of the main parliamentary parties—the Socialist, the Centre Democrats, the Communists and the Social Democrats (formerly the Popular Democrats)—badly need to improve their showing, as indeed does the non-Communist revolutionary Left which has formed its own front, the so-called dynamising group for popular unit.

None, however, has as much to lose if its share of the total vote slips substantially, as does the Socialist party.

Dr. Soares and his Ministers would no doubt claim that it is unfair that their Government's record should be put in the electoral dock barely four months after it was sworn in. To a large extent the complaint would be justified since the Cabinet's first uneasy forays into decision-making have been in areas where unpopular measures have to be adopted, giving the Socialists little chance of doing any of the good things they say they will do if allowed to govern for the full four years the present Parliament is supposed to last.

The Government's claim that the good can only follow the bad may be true but none of its opponents is in any mood to give it the time to prove it. So far, the Government has taken on the Communists and the far Left with moves to reverse some of the excesses of the agrarian reform programme and to weaken the Communist grip on trade unions while attempting to restore discipline on the factory floor.

In the case of agrarian reform, a start has been made at returning 101 illegally occupied farms to their former owners. The process is due to be finished by the end of this month and Government officials are determined to use all the available time to ensure that the hand backs take place peacefully.

Nevertheless, it was made clear from the outset that police and troops would be called in if necessary to enforce evictions and, despite a promise from the Communists that they will obey the law, the far Left remains dangerously committed to forcible resistance.

On the labour front, the Government has put an end to the law which recognised the Communist-dominated National Labour Confederation, the Intersindical, as the sole trade union grouping. Again, the Communist party has not reacted officially but the Intersindical leadership has warned that it cannot be expected to remain on the defensive in the face of attacks on the workers. Dr. Soares and his Cabinet will no doubt point to their activity in these areas as giving the lie to allegations that they are ineffective as a team.

Still, the image of indecisiveness and disunity that dogged the Cabinet in its very first days has stuck and its over-sensitiveness to criticism, show by example through complaints it has made to their embassies about foreign correspondents' stories, does little to dispel it. To make matters worse, the Government, in apply the new laws concerning dismissals, absenteeism and restrictions on overtime working, is faced with explaining to Portuguese not only why they have to work harder to save the country from economic collapse but also why they will receive less pay for doing so.

The Cabinet would no doubt sleep more comfortably at night if it was sure that its struggle with the Left was guaranteed the support of the Social Democrats and Centre Democrats who respectively hold 73 and 42 of the 256 National Assembly seats against the Socialists' 106.

But whatever honeymoon the Socialists were enjoying with their opponents on the Right is now long since over and both the PPSD and the CDS are planning to embarrass the Government early on in the new Parliamentary session.

In the case of the Social Democrats, this will be done by tabling a new agrarian reform bill which would replace the controversial legislation currently on the statute book. The Centre Democrats will simply move suspension of existing laws. Either way, the Government is being forced to vote itself with the Communists in Parliament at a time when it is anxious to put as much distance between itself and Dr. Alvaro Cunhal's followers and when the threat of further protests from private landowners is increasing.

Dr. Soares' opponents have adopted a strategy which is designed to cause him as much trouble as possible in the run-up to the local elections, thereby producing a drop in the Socialist vote which would bring the President, General Ramlho Eanes on to the stage.

President Eanes has on the whole adopted a remarkably low profile since he took office, although he did feel obliged last month to jog Dr. Soares' elbow when the Prime Minister was showing signs of equivocating on the economy.

Initially, the President's relative silence was explained, as reflecting a desire on his part to let the Government get on with the job of governing while

Dr. Mario Soares

he guaranteed the framework within which it operated. Lately, however, there have been growing indications that the President is unhappy at the incapacity of political leaders to put country before party and that his own personal position is not as strong as it once was.

The President is reported to have agreed that there is now little likelihood of the present Government lasting past the end of the year but is under conflicting pressure as to what his next move should be.

Part of the confusion stems from the presence on the President's staff of officers associated with Major Melo Antunes, the former Foreign Minister who has found a new poltical perch as Chairman of the Constitutional Council. Major Antunes was the chief ideologue behind that element of the Portuguese Armed Forces which sees the military continuing to play a central role in the country's political life.

His supporters on President Eanes' staff are understood to be trying to convince the President that if the Soares Cabinet goes, then it should be replaced by a Government with a military man as Prime Minister and the leaders of the main parties as ministers without portf[olio], [in] effect a repeat of the fi[rst pro]visional government set [up after] the coup of April 25, 1[974].

The alternative being [urged] upon General Eanes [is a] coalition based on the "p[residen]tial majority," that is the parties which supported [his cam]paign in last June's electi[on—the] Socialists, Social Democr[ats and] Centre Democrats. Und[er this] scheme, Dr. Soares would [remain] as Prime Minister wh[ile the] Social Democrat leade[r, Sr.] Francisco Carneiro, a[nd the] Centre Democrat leader, [Pro]fessor Freitas Do Amaral, [would] hold the posts of Vice-P[remier].

Those backing this coalition admit that Dr. [Soares] himself remains opposed, believing personally that [he should] continue along his present [course]. Nevertheless, some [of the] Premier's closest associa[tes are] known to have made the soundings to their pro[spective] partners.

While these two alternatives are urged [on the] President, he is also und[er con]siderable pressure from the military to strength[en his] own position. An axis for[med by] the Conservative comma[nder of] the Northern Military [Region], Brig. Pires Veloso, his [neigh]bour in the central, Brig. Hugo Dos Santos, a[nd the] Air Force Commander [of the] Lisbon Region, General Freire, is believed to be [pressing] the President to force changes on the Revolu[tionary] Council.

The Council, which retains wide ranging powers, no longer conta[ins an] automatic majority of Ean[es' sup]porters, thereby drivin[g the] President to rely even m[ore on] elements who favour the A[ntunes] line. To rectify this, the [Presi]dent is being urged to a[ppoint] officers to the posts of he[ad and] deputy of the combined [general] staff.

The continuing rumbli[ngs in]side the military do not [suggest] that another coup attempt [is on] the way—rather that those broadly back Eanes w[ould] would get on with it quickly and drop his patient sounding out of [opinion] on every issue. Yet, [the] 30 months have shown [that] patience does not bring [results] in Portugal, any more th[an the] inertia of the old dictat[orship] did.

With the country's [problems] continuing and the prob[ability] that even the broadest coalition would not [hold] together very long, the [Presi]dent is probably right in [biding] his time until he can b[e sure] that a move by him would [ease] the present logjam rather [than] add to it.

EEC Commission raps Italy over surtax

BRUSSELS, Oct. 4.

THE Brussels Commission has protested sharply to Rome about the Italian Government's decision to impose a 10 per cent. surtax on purchases of foreign exchange. A week ago the Commission and the Italians agreed on a programme to phase out over six months Italy's import deposit scheme, and Brussels is afraid that the Italian Government regards the surtax as a substitute for import deposits.

The surtax, announced last Friday, is intended to last only for a fortnight, but it is generally felt here that Rome was likely to keep on renewing it for a series of short periods unless it involved foreign exchange to buy imports.

Apart from the feeling in Brussels that the Italian Government has been guilty of a bit of Community sharp practice, there is also the fear that the Italian move may be taken as a precedent. Ireland is being mentioned as an interested observer of the Italian move, while not all EEC Governments believe that Mr. Denis Healey, the U.K. Chancellor of the Exchequer, can hold off permanently some form of direct discouragement of imports.

In its statement, the Commission reads the Italian Government a lecture on the futility of trying to curb currency speculation by taking partial and unilateral measures and emphasises that the surtax must be removed after a fortnight according to the Italian promise.

However, in the last resort there is not much the Commission can do if the Italian Government decides to ignore its strictures, particularly as the signs are that individual member Governments are less exercised by the measure than the Commission which is professionally bound to defend the integrity of the Treaty of Rome and the doctrine of free trade.

The Italians have pledged to dismantle the 50 per cent. import deposit scheme in stages over six months starting from mid-October.

Soviet 'correction' on troops

BRUSSELS, Oct. [4.]

THE SOVIET UNION [has] secretly told the United S[tates] and its Nato allies that [they] have greatly exaggerated [the] number of Communist gr[ound] forces in Central Eu[rope], Western diplomats said to[-day].

The diplomats said R[ussia] and its Warsaw Pact [allies] have informed the [Western] side at the East-West [troop] reduction talks in Vienna [that] the pact maintains 80[5,000] ground force personnel i[n the] area.

This is 120,000 less tha[n the] Nato estimate of 925,000 [Com]munist troops on the gr[ound] in East Germany, Poland [and] Czechoslovakia.

All told, the Russians [main]tain that there are 9[..] Warsaw Pact military pe[rson]nel in the region while [Nato] has estimated a co[mbined] ground and air force to[tal of] 1,125,000.

For its part Nato says [it has] only 777,000 ground forc[es in] its part of the negotiating [area] —West Germany and the Benelux countries.

The numbers given b[y the] Russians became know[n at] Nato headquarters here [after] the restart of the ta[lks in] Vienna last week.

Diplomatic sources [in] Brussels said the Allia[nce ex]pects no breakthrough [in the] three-year-old talks bec[ause of] the figures.

Chirac tells Gaullists they must adapt or lose next election

BY ROBERT MAUTHNER PARIS, Oct. 4.

M. JACQUES Chirac, the former French Prime Minister, who resigned last August after a clash with President Giscard d'Estaing over the Government's electoral strategy, has taken the Gaullist Party by the scruff of the neck and told its members that they must update heir ideas if hey want to survive he 1978 general election.

His speech in Central France last night, in which he bluntly told his Gaullist audience that they must change their old habits and stop harking back to the past, is seen in France as a major political event, heralding the end of the old-style orthodox Gaullism.

Not that M. Chirac has thrown all the old shibboleths out of the window. He still talked about the traditional values of the Gaullist movement, but he said that he wanted the Party to become the focus of a vast popular movement embracing even those with views close to the British and other European Labour Parties.

Though M. Chirac has often been presented as opposing President Giscard's reform policies, he made a number of proposals which go beyond anything the Government has done so far. Among the most striking was a radical overhaul of the tax system, which he described as too complex and too unfair. He also called for the imposition of a wealth tax, a move from which the new Prime Minister, M. Raymond Barre, shied away in his recent anti-inflationary package.

Above all, however, M. Chirac emphasised the need for a dynamic campaign by the Gaullist movement to thwart the Union of the Left at next year's general election. M. Chirac is anything but humble, and he promised that it was he who would lead the Party to victory because some of the older leaders were either unable or unwilling to assume this role, an obvious hit at the so-called Gaullist "barons," such as M. Olivier Guichard, who is now a member of the Government.

M. Chirac went out of his way to counter suggestions that he was engaging in a battle with the President of the Republic, who continues to emphasise that it is much too early to embark on an election campaign 18 months ahead of the vote. M. Chirac said his respect for the institutions of the Fifth Republic was much too great for him to oppose a head of State who was elected by universal suffrage and who was therefore the supreme power in the land.

Everything that M. Chirac has said, however, underlines the basic differences between himself and M. Giscard d'Estaing. The President is still trying to win over a section of the electorate which would normally vote Socialist, while M. Chirac is advocating a policy of conflict with the Left.

W. German industrial orders rose in August

BY ADRIAN DICKS BONN, October 4.

WEST GERMAN industrial production, after slipping by 2.5 per cent. in July, moved upwards once again by one per cent. during August, the Economics Ministry reported to-day. At the same time, new industrial orders, which had been pushed up 16.5 per cent. in July by a few very large foreign orders, fell back by 7.5 per cent. in August.

The main contributor to the higher industrial production figure was the capital goods sector, which showed a 6 per cent. rise in output, bringing the level for August back to that of June, as measured by the Bundesbank's seasonally adjusted index. There was also some improvement in mining output, though this remains well below pre-recession levels.

The figures suggest caution, however, in judging whether August saw the recovery of the economy into its second wind. The August figures are provisional, and the Ministry reports that the 2.5 per cent. drop in output during July shown by corrected figures was in fact a full one per cent. greater than was originally believed.

More encouraging is the shape of the new orders statistics. These indicate a marked acceleration of new orders from domestic customers for capital equipment, from a 5 per cent. increase in July to a 13 per cent. increase during August. Consumer goods orders were up 7.5 per cent. and basic industrial goods orders by 1.5 per cent., though both these compared favourably with the declines registered during July.

The relative slowdown in new orders appeared inevitable following the influence of a few extremely large capital goods orders from abroad during July, which had pushed up the capital goods orders index that month by 91 per cent. In August, nonetheless, new export orders for capital goods rose by one-fifth from the same level a year earlier.

Export orders for consumer goods picked up by one per cent. after dropping back seven per cent. in July, while those for basic industrial goods were up 6.5 per cent. following an eight per cent. fall the previous month.

Danish foreign reserves nearly exhausted

BY HILARY BARNES COPENHAGEN, Oct. 4.

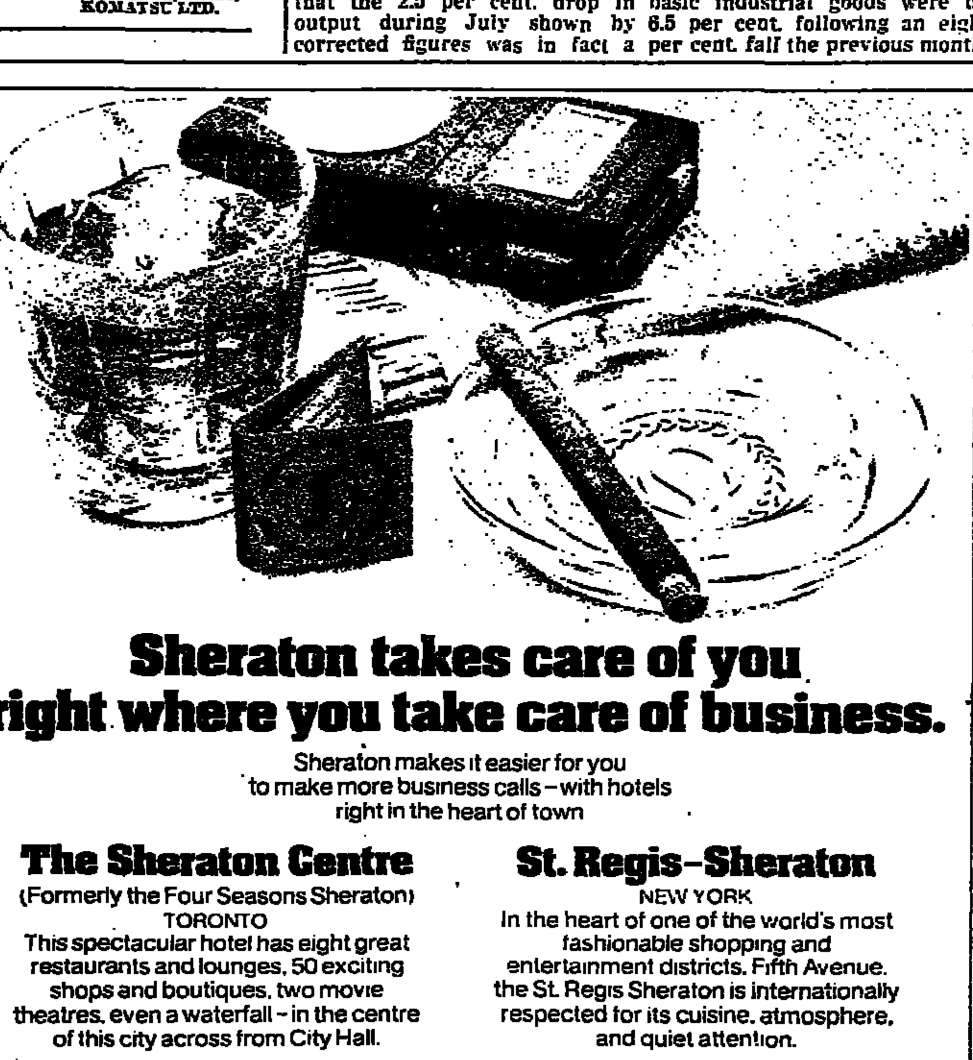
DENMARK'S official foreign exchange reserves were practically exhausted by last week's speculation in a revaluation of the D-Mark. The Central Bank was left with reserves of only Kr.110m. (about £11m.) when the accounts closed on September 30, the bank announced to-day. The reserves dropped from Kr.2,343m. at the end of August. Commercial bank foreign exchange holdings however increased by Kr.532m. to Kr.3,947m.

The Central Bank said the reserve movements were due to forward buying by Danish business and by importers running down their foreign liabilities.

The September accounts also show that while the Central Bank repaid Kr.1.2bn. to the West German Bundesbank at the beginning of the month, the bank's foreign liabilities, which reflect Bundesbank support for the Krona in the latter part of the month, increased by Kr.1bn.

The Danish authorities have taken the run on their official reserves calmly and there has been no increase in the discount rate as yet. It is understood that the official reserves will be replenished within the next few days, if they have not already been replenished, by short-term loans abroad.

● Denmark's tax-protest Progress Party gained 22.8 per cent. of support in a weekend Gallup Poll, an increase of 2.3 per cent. since August and 9.2 per cent. since the last election in January 1975. The party has now more support than any other opposition party. Its chief rivals, the Liberals, obtained 17.6 per cent. in the poll, 2 per cent. less than in August and 5.7 per cent. less than in the election. The ruling Social Democratic Party received 30.7 per cent. in the poll compared with 29.2 per cent. in August and 29.9 per cent. in the election.



Greenland to have 200-mile fishing limit

Financial Times Reporter

COPENHAGEN, Oct. 4.

THE DANISH Government will this month present a bill to the Folketing (parliament) authorising it to extend the Greenland fisheries limit to 200 miles, Greenland Minister Joergen Peter Hansen said in a report at the week-end to the Greenland Provincial Council.

Although Greenland, a province of Denmark, is within the EEC, it is not expected that the 200-mile limit will cause problems on this account. The Danes obtained special concessions for Greenland before joining the EEC, and the EEC understands the problems of the Greenlanders whose only industry is fishing. It is expected that the Greenland 200-mile limit will come into force at the new year.

Trawler trial stops

CORK, Oct. 4.

THE case against a Soviet trawler skipper who defied the Irish Navy and armed troops was adjourned for another 24 hours yesterday as a Soviet sister ship sailed unexpectedly into Cork, UPI reports.

Judge Bernard Carroll adjourned the trial "in the interests of justice and the defence" after defence attorneys made four separate submissions on behalf of Capt. Nikolai Shinkaruk, 34, captain of the 2,500-ton trawler Belomorye.

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New Swedish parliament with changed line-up

BY JOHN WALKER STOCKHOLM, Oct. 4

THE SWEDISH parliament was officially opened to-day by King Carl Gustaf, following the general election held on September 19. For the first time in 44 years, the Social Democrats will not form the new Government. The three opposition parties, which have a combined majority of 11 seats over the joint strength of the Social Democrats and the Communists, will now form the new administration.

The first decision of the new administration was to concede to the Social Democrats a request to reappoint the speaker Henry Allard, a Social Democrat. Mr. Torbjorn Falldin, the leader of the Centre Party, is expected to be the new Prime Minister, and he will announce the composition of the new administration and its policy, by Thursday or Friday at the latest, in the 349-seat, single-chamber parliament.

The Riksbank (Central Bank) announced a 2 per cent. increase in bank rate, from 6 to 8 per cent., late last night, following a considerable drop in the foreign exchange reserves during the last two months. This situation is expected to be given top priority by the new administration.

Bernhard resigns as Bildenberg chairman

PRINCE Bernhard of the Netherlands has resigned as chairman of the Bildenberg Conference, the annual meeting of influential politicians and businessmen, which he helped to found in the early 1960s, Michael van Os reports from Amsterdam.

It was his last international function, having also withdrawn last month as President of the World Wildlife Fund, which the prince founded in 1961.

It is understood that the steering committee of the Bilderberg Conference—which had already been cancelled this year in the wake of investigations of Prince Bernhard's involvement in the Lockheed bribes scandal, reportedly under U.S. pressure—is now studying whether the meetings can be continued.

Prince Bernhard has already resigned as Inspector-General of the Dutch Armed Forces, and directorships of several Dutch companies, such as KLM, Fokker and Hoogovens (steel). His public appearances have been rare of late.

Foxbat is 'outclassed' claims Congressman

BY DAVID BELL

WASHINGTON, October 4.

HE PENTAGON'S close examination of the MiG 25 "Foxbat" rcraft which unexpectedly fell nto Western hands when a oviet pilot flew it to Japan, ppears to indicate that the airaft is significantly inferior to .S. jets in almost every respect. Rep. Robert Carr, a Michigan emocrat and member of the ouse Armed Services Committee, wrote a long and detailed nalysis of the Foxbat in the Vashington Post over the weekend. He concluded that the unclassified information so far released to him about the aircraft "casts the gravest doubts on the credibility of the Pentagon's claims of Soviet military sophistication and military expenditures."

Mr. Carr asserts that the Foxbat is barely equal to the 15-year-old F-14 and is "hopelessly outclassed" by the newer F-15 and F-16. The MiG, he says, is a good reconaissance aircraft (though no better than comparable U.S. aircraft). But as an interceptor it is out of date and inadequate, and as a low penetration aircraft it is "poor" and it does not even use titanium, the extra light, extra strong metal used widely in modern American aircraft.

According to the Congressman, who accompanies his comments with a detailed table comparing the Foxbat with the three U.S. aircraft, both the F-15 and the F-16 can out-climb, out-accelerate, out-see, out-hide, and out-shoot the Foxbat by margins so wide that "our expected kill ratio advantage is almost incalculable." He added: "No U.S. F-15 or F-16 pilot need fear the Foxbat unless he is asleep, radically outnumbered or a boob."

The only apparent advantage that the Foxbat has is the greater altitude at which it can operate. But Mr. Carr says that the U.S. has missiles capable of shooting it down and that experience in Vietnam has already demonstrated that jet fighters usually do not need very high altitude capability, but rather extreme manoeuvrability and the capacity to fly fast and turn quickly even at tree-top height.

Mr. Carr pours scorn on reports that the Foxbat has extremely advanced avionic equipment. He says that a recent Pentagon reference to "highly capable avionics" actually refers to simple vacuum tube systems that we would have considered obsolete 10 years ago and unimpressive 15 years ago."

Venezuela wants oil price rise

Venezuela favours a rise in the price of petroleum and will support this thesis at the next meeting of the Organisation of Petroleum Exporting Countries (Opec) in Qatar in Qatar in December, Hydrocarbons Minister Valentin Hernandez has said in Caracas, Reuter reports.

Asked whether the rise would be be more than 10 per cent., Sr. Hernandez said: "We have an idea on what it should be but I don't think it would be right to reveal this before the conference."

Chase, Mellon lower prime rate

Chase Manhattan Bank and Mellon Bank have said that they re lowering prime rate to 6¾ per cent. from 7 per cent., effective immediately, Reuter reports from New York. Major U.S. banks are about evenly split with half holding their primes at 7 per cent. and the remainder moving to 6¾ per cent. Morgan Guaranty Trust set the lower trend when it cut its prime to 6¾ per cent. on September 20.

GM van output

General Motors plans to expand van production by adding capacity at its truck and coach plant in Pontiac, Michigan, AP-DJ reports. The company said that the expansion could result in about 1,500 new jobs by November 1977 when commercial van output will begin.

Concern on miners' union

BY JAY PALMER

NEW YORK, Oct. 4.

HE STATE of disarray in the p executive levels of the U.S. nited Mine Workers (UMW) nion and the continuing pparent erosion of the authority f its moderate president, Mr. rnold Miller, is proving of reat concern to America's mineowners.

All the signs emerging from e UMW's annual convention dicate that Mr. Miller is going be hard pressed to win reelection next June. His ousting y a more radical group would lmost certainly mean a rejection f existing (if not always very uccessful) union policies discouraging wildcat strikes.

Mr. Miller came to power in he UMW by heading the reform slate that in 1972 ousted Mr. Tony Boyle, who is now in prison for murdering his predecessor. To-day his main opposition comes from Mr. Lee Patterson, a declared pro-Boyle member of the UMW's executive committee. The election issue is complicated further since several "pro-Miller" candidates are being persuaded to run since Mr. Miller himself is losing support.

At the union's ten-day convention, which ended last Saturday, Mr. Miller failed in his attempts to kill several significant votes spelling out in some detail proposed bargaining demands at the December 1977 new contract talks with U.S. soft coal mine-owners.

Videla escapes assassination

BY ROBERT LINDLEY

BUENOS AIRES, Oct. 4.

RMY SOURCES to-day conrmed that the de facto President, Lt.-Gen. Jorge Rafael Videla, on Saturday escaped certain death by leaving a military eviewing stand only three inutes before an assassin's omb exploded directly under he spot where he had been tanding.

The blast inside Campo de Mayo, the huge army training rea just west of here, tore a ole a yard in diameter at the entre of the stand and would ave killed four or five more f the top-level civilian and ilitary leaders standing on ither side of Gen. Videla—ncluding the army's deputy ommander, Major-Gen. Roberto Viola, the general staff chief, President Videla is the army ommander.

But the ceremony—presided y Gen. Videla—to mark the nnual day of the Signal Corps, nded sooner than expected, and ll the dignitaries, about 50 in number, had left the stand before the bomb exploded. Gen. Videla was 60 yards away when the blast occurred. Even so, the explosion wounded three army personnel who were still near-by, a first and a second lieutenant lightly and a non-commissioned officer badly, although not critically, in a leg.

The bomb is thought to have been a black-powder time device which was placed on the ground under the stand some time during Saturday morning. It is believed it was already there, perhaps hidden under a piece of lumber, when the last security check was made barely an hour before the ceremony began.

No arrests have been made, although a conscript was "delayed" briefly after the blast. The Montoneros, the nominally Peronist guerilla group, is suspected of being behind the nearly successful assassination attempt.

AUTO WORKERS' STRIKE

Union seeks more employment

BY STEWART FLEMING, NEW YORK CORRESPONDENT

THE Ford Auto Workers strike runs into its third week to-day amidst reports that a settlement could be at hand. Even if an agreement is reached shortly it will be a couple of weeks before the detailed contract can be written and the men get back to their production lines.

While a settlement would thus have been achieved without too much damage to Ford Motor and without adding a new burden to the sluggish U.S. economy some of the issues which the strike has raised will not die away with a settlement.

In particular the strike has brought into sharper focus mounting concern in the U.S. about the high levels of unemployment and the growing preoccupation of some trades unions with the issue of "job security."

Indeed some observers are now beginning to see in the "job security" principles which a number of unions have raised a further step towards a time when certain highly unionised U.S. industries will be asked to take care of their employees throughout their lives on something approaching the Japanese model.

The job security issue has come into focus most acutely with the Ford strike because of the union's demand for an extra 12 days' paid leave a year on top of the 32½ days' already given. Though the union is expected to settle for fewer days than 12, this issue is thought to be at the centre of the dispute. Its significance was underlined even before the strike began when General Motors' head of labour relations, Mr. George Morris, described the claim as tantamount to a national featherbedding agreement.

It is not primarily the union's preference for leisure rather than pay which has given emphasis to its claim for extra days off. The union has stressed that the object is primarily to increase employment opportunities.

Car workers picket outside Ford Motor in Dearborn, Michigan.

Significantly other U.S. unions appear to be on the point of pressing similar demands. The steel workers' union for example, has said that it intends in its contract talks next year to press for what a spokesman, Mr. Roy Pasnik, describes as "total job security." It may also press for shorter hours of work primarily in order to create more employment, to quote Mr. Pasnik. Union spokesmen point out in both cases that one of their chief concerns is that improvements of productivity in coming years will considerably increase output without anything approaching an equivalent increase of employment. The UAW has forecast that by 1990 motor production will have increased by about 47 per cent., but that this increase in output will be accompanied by an increase of only 55 per cent. of the hours worked. It says that it has based its forecasts on past experience, and on the methods used by the Federal Energy Administration to forecast car output.

The UAW takes the position that unless private industry is required to take on some of the burden of mass unemployment, it will fall entirely on the Federal Government. One way to ensure that private industry shares the burden is to create more jobs through job security provisions. The danger of course is that this may force industry to search for productivity improvements through technology changes.

There are those who question too whether, if Ford does agree to extra days off, that will actually create new jobs. The UAW is expected to insist that measures be applied to ensure that it does not merely result in increased overtime.

The wider concern being expressed in the country, however, is that if the UAW job security initiative spreads—and that particular union has a history of pioneering new principles of industrial relations—it will reduce the efficiency. The union response is that there is nothing sacred about working hours and that not many years ago the 40-hour week was only a pipe-dream. It was the UAW which in the late 1930s made the dream a reality.

Undoubtedly union thinking has been influenced by the last recession when about a third of the workers at the leading three auto companies were laid off, coupled with the overall deteriorating trend of employment nationally. In 1968 there were about 3m. unemployed in the U.S. Now the figure is nearly 7.5m.

OVERSEAS NEWS

Socialist leader on trial in India

By K. K. Sharma

NEW DELHI, Oct. 4.

GEORGE FERNADES Socialist Party leader, and 22 other prominent public men including politicians, journalists and businessmen were to-day formally charged with conspiring to overthrow the Indian Government after creating chaos in the country by acts of sabotage and violence.

Fernandes, who went underground as soon as a state of emergency was proclaimed on June 25 last year, and the other accused in what is known as the Baroda dynamite case were brought in handcuffs to the court of the chief metropolitan magistrate for committal proceedings.

He was arrested in Calcutta about three months ago after organising a resistance movement against the Government. He and 24 others (two are still at large) are alleged to have hatched a "deep rooted conspiracy having widespread ramifications to overawe the central Government by means of criminal force and show of criminal force."

The prosecution alleged that Fernandes procured dynamite with the assistance of others with the object of blowing up bridge and vital rail and road links.

The World Bank, British Broadcasting Corporation and others were asked to adopt the same attitude towards the Indian Government as that towards South Africa and Rhodesia, it is claimed.

The charge sheet said the accused caused a series of explosions in Bombay and others at railway bridges and tracks in Bihar and Karnatka States between October 23 and December 30 last year.

Reuter adds: Fernandes said in court his country was a victim of an infamous dictatorship.

He alleged that since his arrest on June 10 he had been held in solitary confinement for two months and been unable to communicate with anyone outside the jail for the past three and a half months.

He said brutal and obscene methods had been used by police in questioning him, although he had not been physically assaulted

Russia wants date set for Foxbat return

MOSCOW, Oct. 4.

THE SOVIET UNION to-day accused Japan of "unseemly machinations" and demanded an exact date for the return of the Mig-25 Foxbat fighter aircraft flown to Japan by a defecting Soviet pilot a month ago.

An article in the official Communist Party newspaper Pravda said that Japanese military leaders and foreign policy officials were trying to undermine the good Soviet-Japanese relations sought by the Japanese people. Pravda made no mention of a Japanese message on Saturday, informing the USSR that the plane would be returned about October 15 at a port to be named by the Japanese Government.

● Prime Minister Takeo Miki, who recently survived a move from his ruling Liberal Democratic Party to oust him, said today at a meeting of the Budget Committee of the Upper House of the Diet (parliament), "I am dealing with the special parliamentary session with a view to remain holding the reins of Government." —UPI

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French move to organise Lebanon peace meeting

BY ROBERT MAUTHNER

PARIS, Oct. 4.

THE FRENCH Government, at the request of Egyptian President Anwar Sadat and the Lebanese left-wing leadership, is *currently making intense efforts* to organise a peace conference which will lead to a solution to the Lebanese crisis.

Mr. Ismail Fahmi, the Egyptian Foreign Minister, had two meetings with President Giscard d'Estaing over the week-end, followed by a surprise visit to the French capital of Mr. Kamal Jumblatt, the Lebanese Left-wing leader, who had talks with M. Louis de Guiringaud, the French Foreign Minister.

As yet, these comings and goings have led only to the sketching out of a possible procedure for peace talks and neither the Palestinians nor the Syrians has given any indication that they are prepared to accept the Franco-Egyptian initiative.

In spite of all the confusion, however, one thing is clear: at least the French and the Egyptians fully agree on the procedure to be followed. The French have put forward a stage-by-stage plan under which, first of all, the two Lebanese sides *would meet to settle their differences*. Once they have succeeded in doing this, another conference would be called at which a hopefully united Lebanese delegation would negotiate a peace agreement with the Palestinians.

As far as the French are concerned, subsequent or simultaneous peace negotiations between the Lebanese and the Syrians will also have to take place, but this, clearly, is not the view of Mr. Jumblatt who continues to demand the unconditional withdrawal of Syrian troops from Lebanon and insists that the Syrians do not take part in the talks.

Nor do the Phalangists agree with the procedure proposed by France. According to reports *reaching Paris from Beirut*, Mr. Pierre Gemayel, the right-wing Christian leader, said to-day that, for the Phalangists, priority should not be given to an intra-Lebanese agreement but to a *settlement of Lebanese-*Palestinian relations. "In any case," Mr. Gemayel told the Beirut correspondent of the Paris newspaper Le Monde, "our basic principle is to co-ordinate our policies with the Syrians.".

If that is the case, the prospects for the Franco-Egyptian plan do not appear to be very bright, since Damascus has already made it plain that the Syrian Government is totally opposed to the suggested suggested procedure and even to a restricted Arab summit meeting in Riyadh, the Saudi Arabian capital, to discuss the Lebanese crisis.

Mr. Jumblatt, meanwhile, has extended his visit in Paris and has announced that he will meet the leaders of the French Communist, Socialist and Gaullist parties.

New Beirut battle breaks calm

BEIRUT, Oct. 4.

FIGHTING FLARED across Beirut to-day while militant Christians joined Syria in *criticising moves to convene a Paris* peace conference on Lebanon.

A week-end lull was shattered in the capital overnight as Right and Left battled in the down-town commercial area and traded volleys of indiscriminate *shell-*fire across residential areas.

Left-wing forces announced they were reopening their side of the so-called Green Line between east and west Beirut. But shelling and sniper fire from the Christian side forced it closed again within hours of the announcement, keeping the one crossing point between the Christian and Moslem halves of the city impassable.

At least one person was killed by a sniper's bullet while attempting to cross this morning. Heavy shelling also continued in the southern suburbs, both sides reported.

Christian leaders meanwhile attacked Left-wing chief Kamal Jumblatt's talks in Paris and Egyptian and French efforts to *promote a Paris peace conference* on Lebanon.

The Left-wing Mourabitoun militia group closed the green line crossing point and a Left-wing radio report said: "The crossing point will remain closed from now and until further notice to safeguard the lives of those using it against Right-wing sniping and shelling in the region."

Another left-wing broadcast *accused right-wing militias of* "committing" massacres in the villages of Salima and Arsoun, former Palestinian strongholds that fell to Syria's thrust in the central mountains last week.

"*The attacking right-wing* isolationist forces killed 29 innocent and unarmed villagers and kidnapped 17 others whose fate is still unknown," the broadcast said.

UPI

Reuter adds: Arab League envoy Hassan Sabri el Kholy to-day condemned the alleged kidnapping and killing of civilians in mountains east of Beirut, after a major right-wing offensive there last week. He said the right-wing Christian forces had kidnapped old men, women and children.

He said there were "some very unfortunate incidents of kidnapping and killing after all military activity finished. There are lots of very sad events, including reprisals against any humanitarian aspect and without purpose—just some sort of brutality."

West Bank Arab protest

TEL AVIV, Oct. 4.

ARAB YOUTHS took to the streets in West Bank towns to-day in sporadic Yom-Kippur protests touched off by religious strife in the biblical town of Hebron.

But in Hebron, where a day-*long curfew* kept Arabs off the streets, Jews from nearby Kiryat Arba played at the Tomb of Patriarchs, on the holiest day of the Jewish year.

The Israeli military command stepped up *security* on the third anniversary of the Yom-Kippur War as it has done on all major Jewish holidays since suffering setbacks at the beginning of the 1973 conflict.

Arab and Israeli sources reported street protests on the Jewish Day of Atonement in the West Bank towns of Nablus, Ramallah, El-Birah and Tulkarem. There were no reported casualties.

Military sources said the occupation authorities put the Casbah of Nablus under curfew after Arab youths tossed rocks and *set fire to automobile tyres in* the narrow winding streets of the market place.

UPI

Swapo denies attacks on guerillas in south-Angola

LUSAKA, Oct. 4.

SWAPO, the biggest liberation group fighting South African rule *in Namibia* (South-West Africa), to-day denied reports that it had joined forces with Angolan troops to attack anti-Government guerillas in southern Angola.

"Swapo (South-West Africa People's Organisation) is interested only in attacking South African troops). There is no agreement on joint forces with the MPLA (Popular Movement for the Liberation of Angola)." Swapo foreign secretary Peter Mueshihange told Reuter.

He was commenting in an interview on reports from northern Namibia that Swapo *guerillas, whose main operational* bases are in neighbouring southern Angola, were supporting MPLA forces in a drive against anti-Government forces.

The MPLA, helped by Cuban troops, defeated two pro-Western liberation groups to take power in Angola earlier this year.

The reports quoted refugees from southern Angola as saying the Angolan Government, supported by Swapo, was moving against last pockets of resistance by one of these groups, Unita (Union for the Total Independence of Angola).

Mr. Mueshihange indicated, however, that there had recently been severe unrest along the northern Namibian border. He *said South Africa was training* Unita guerillas in a big camp near Grootfontein, northern Namibia.

"I want to make it very clear that Swapo soldiers have very specific instructions to kill only South Africans . . . we have nothing to do with the refugees (in northern Namibia)," he said. Some 2,500 refugees have arrived in northern Namibia over the past two weeks.

Reuter.

Rhodesia deaths

SALISBURY, Oct. 4.

TEENAGE GUERILLAS killed 16 Africans, including nine children, in a raid on a village in north east Rhodesia, the Rhodesian Herald said to-day.

Reuter.

Mystery Sudan disease may be Lassa fever

By Alan Darby

KHARTOUM, Oct. 4.

MEDICAL experts trying to identify a disease which is unofficially said to have killed about 80 people in the Southern Sudan say they believe that it may be Lassa fever, although its symptoms are not those normally associated with this disease, *which first occurred in West* Africa. The epidemic has led to the closure of the airport at the southern capital of Juba, effectively cutting off the south from the rest of the country.

Sudan's Minister of Health announced yesterday that 12 persons, including a doctor and nursing staff associated with the effort to control and identify the *disease, had died of it since the* first outbreak three weeks ago. But there have been no new cases in the past two days, and other health officials, just returned from the affected area, said the epidemic was on the decline.

Symptoms of the disease are said to be high fever, vomiting, chronic diarrhoea and haemorrhaging of the mucous membranes.

IMF-WORLD BANK MEETING IN MANILA

Float strong currencies call

BY OUR FOREIGN STAFF

ALLOWING THEIR currencies to float upwards is one of the policies that industrial countries in strong payments positions should adopt to achieve a better equilibrium, Mr. Johannes Witteveen, the International Monetary Fund's managing director told the opening session of the IMF—World Bank meeting yesterday in Manila.

Mr. Witteveen did not point the finger in public at West Germany and Japan. But according to agency reports in a closed session of the IMF's Interim Committee, he specifically singled out those two countries for failing to do enough to expand their economies and create larger markets for the exports of their weaker trading partners.

There was no immediate comment from the West German delegation to Mr. Witteveen's appeal, which came only a few hours after Chancellor Helmut Schmidt had reaffirmed in Bonn on the eve of his narrow election victory that he would not let the Deutschemark be revalued.

According to agency reports, Japan responded "with moderation" to Mr. Witteveen's private appeal in the Interim Committee. To the IMF's director's appeal that strong currency countries should pursue a good neighbour *policy to relieve the strain on* those trying to improve their weak economic performance, the Bank of Japan Governor Teiichiro Morinaga, said Japan was concentrating on holding down its inflation rate, and he warned that care must be taken to allow individual countries to chart their own course since they have their own special problems.

To underline his argument, Mr. Witteveen cited in his public speech IMF staff estimates that the traditionally large West German current account surplus will be maintained in 1976, while the Japanese balance will move from a small deficit in 1975 to a sizeable surplus this year.

The Fund director say the general solution in a recovery in domestic demand in both West Germany and Japan, but even more in "increased flows of long term capital exports and development aid, and to the extent necessary, an appreciation of exchange rates."

As for deficit countries, Mr. Witteveen said that financing had been readily available—indeed too available. "The goal of stemming inflation has prompted some deficit countries to borrow rather than allow their exchange rates to change: exchange rate depreciation would give a further twist to the spiral of domestic inflation."

There was the further fear that *social and institutional factors*—such as the "social contract" with the trade unions in Britain and wage indexation in other countries—could magnify a small price rise into another inflationary surge.

Striking a tight-fisted note on lending policies towards countries like Britain and Italy which are piling up heavy international debts, Mr. Witteveen emphasised—in what appeared to *be a hint as to the conditions* that the IMF will shortly impose on Britain—that while there could be specific measures of relief to cushion the hardships

IMF
World Bank
Meeting

of unemployment "these measures must not be allowed to distract attention from the central need to retain control over the national budget and over the rate of monetary expansion."

In yesterday's *second major* address, World Bank President Robert McNamara has called for a re-orientation of the domestic economic policies of developing countries, while urging *industrialised nations to provide more* funds for the international development association (IDA) and to subscribe to the need to increase the agency's capital.

Mr. McNamara said the commercial banking community would be more confident in lending to developing countries if more official aid was available.

The Bank president estimated the poorest nations, excluding oil exporters, would have a total medium- and long-term debt to the public and private sector of \$48.9bn. in current dollars in 1980, against \$28.5bn. in current dollars in 1975. His review of the debts of the middle income developing countries, also excluding oil exporters, showed their medium- and long-term debt in current dollars rising to \$178.2bn. in 1980 from \$88.4bn. in 1975.

Debt to the private sector could be expected to grow in current dollar terms to \$7.2bn. by 1980 for the poorest countries and to \$113.9bn. for the middle income group from the 1975 level of \$4.8bn. and \$55.8bn. *respectively, he reported.*

But capital flows to poorest countries are likely to remain very low, possibly so low as to seriously limit their economic growth, Mr. McNamara said.

"*The debt problem of the* poorest nations is a long-term one which cannot be solved merely by short-term re-scheduling and by further relaxation of already liberal terms," he added. *The critical need was for a substan*tial real increase in the net flow of capital to these countries from public sources beyond the levels which now appeared likely.

WORLD TRADE NEWS

New move on Turkish transit fees

By Metin Munir

ANKARA, Oct. 4.

IRAN'S Minister of Commerce, Manouchehr Taslimi, arrives here on a three-day official visit on Wednesday to take up the Turco-Iranian problem which arose when Turkey imposed new dues on transit traffic, official sources said here to-day.

Turkey imposed its new fees last December, replacing an eight year old system under which transit was almost free.

The fees, which Iranian trucking companies claimed increased the cost of traversing Turkey by 500 per cent., were unwelcome to many countries, most notably Iran which depended heavily on the Turkish communication network for its trade with Europe.

Tehran retaliated by freezing a \$1.2 bn. loan it had undertaken to lend Turkey, mainly for the improvement of the outmoded Turkish communications system. Only an \$8.5m. tranche of this loan was released, Turkish official sources said.

Last June, Ankara issued a decree authorising the Ministries of finance and communications to reduce transit fees to zero and Bulgaria benefited soon afterwards by winning an exemption.

Taslimi, is expected to request a similar exemption and promise to release the much needed \$1.2bn. loan.

S. Africans negotiate for Paraguay deal

By Richard Rolfe

JOHANNESBURG, Oct. 4.

NATIONAL Process Industries, a South African chemical engineering company, is negotiating to build and operate a major new fertiliser plant in Paraguay. The site of the proposed complex will be near the Itaipu hydro-electric station.

National Process, which has interests in fertiliser production in Swaziland, has also built a liquid gas ammonia terminal at Maputo in Mozambique.

The company has prepared a progress report on its feasibility study for the Paraguayan national development bank, and is simultaneously involved in negotiations with the country's Ministries of Industry and *agriculture as well as the* national power company. The negotiations envisage an initial capital investment of at least \$60m. to construct a plant with annual capacity of 85,000 tons of *nitrogenous fertiliser. A second* phase, costing more than \$350m., and producing over 1,000 tons of ammonia daily, is proposed for the 1980s.

National Process expects to raise the necessary finance for the first phase on a 50:50 basis with the Paraguayan National Development Bank, but obviously the scale of operations will probably require extensive overseas borrowings at some point. It is not clear at this stage if any South African Government agencies will be involved, though the Republic has previously made a *R6.7m. loan to Paraguay for* general development. Other South African interests are engaged in various technical projects in Latin America, including the design of cement plants in *three different countries.*

Japanese talks in Peking

TOKYO, Oct. 4.

TWO JAPANESE trade missions left here to-day for Peking, hoping to sell steel to the Chinese *and have talks with Premier Hua* Kuo-Feng.

A 16-man delegation from the Japanese Association for the Promotion of International Trade will attend the opening in Peking to-morrow *of two trade fairs* featuring Japanese products.

Its leader, former foreign minister Aiichiro Fujiyama, hoped to have talks with Mr. Hua during the one-week visit, a spokesman said.

The second delegation, representing six steel mills, will have talks with Chinese officials on the sale of steel to be delivered between now and next April. China bought 600,000 tonnes of Japanese steel in the first half of the financial year, a third only of the amount of previous bi-annual purchases.

Reuter.

SIA expands cargo facilities

By Michael Donne, *Aerospace Correspondent*

SINGAPORE Airlines is to spend \$250m. (about £60m.) on passenger and cargo handling facilities at the new Changi International Airport, according to Mr. J. Y. M. Pillay, chairman of SIA.

"The group intends to construct the most modern and well-equipped facilities for the handling of passengers and cargo, for the maintenance and overhaul of aircraft engines, component and ground support equipment, and for the provision of catering and other services to passengers and airlines," he says.

"Meanwhile, new facilities at Paya Lebar (the existing Singapore airport)—a 747 hangar, freight terminal and modernised flight kitchen—are being built to meet demand until 1983-84, should there be any slippage in the Changi programme."

Dan-Air lease

DAN-AIR Services have concluded a wet lease agreement with Air Malta to supply a Boeing 707 aircraft for the period April to October, 1977.

Japan's electrical groups bid together for contracts

BY CHARLES SMITH

TOKYO, Oct. 4.

JAPAN'S THREE heavy electrical companies, Hitachi, Mitsubishi Electric and Toshiba have begun to practise the principle of work sharing in bidding for export contracts, although so far only in isolated instances and not as an officially enunciated policy.

The principle involves agreeing to divide up a contract between the three, rather than to submit independent and competitive bids. The industry has been driven into work sharing by the fact that Japan's domestic market for heavy electrical machinery no longer seems adequate to accommodate three giant companies and competition in export markets (to quote one of the three) was becoming "excessively severe."

It is pointed out that the U.S., for example, has only two major electrical companies (General Electric and Westinghouse) and a big domestic market. By contrast Hitachi found last year that its generator division was earning more than 50 per cent. of its total turnover from exports. This was certainly not the case before the 1974-1975 recession, but Hitachi does not expect to return rapidly to a situation where the domestic Japanese market provides the bread and butter of its heavy electrical division.

The one instance of successful work sharing by the Japanese heavy electrical companies which has so far come to light is a Yen15bn. (£32m.) contract for *the supply of five water generators* to the Corporacion Venezolana Guyana for a hydro-electric power station on the Caroni River in Venezuela.

The five generators together constitute the biggest hydro-electric power generation unit in the world. They will be supplied jointly by the three major Japanese electrical companies and *Siemens of West Germany* with Toshiba building two machines and the other three companies one each.

Both Toshiba and Hitachi confirmed to-day that the reason for making a collective approach to the Venezuelan project was the "*severity*" of conditions in heavy electrical export markets. The decision to include Siemens in an otherwise all Japanese partnership was attributed by the Japanese companies to Siemens' "high technical level" and close links with members of the Japanese industry.

The Venezuelan contract has not yet been signed, but the Japanese companies say that a firm decision has been taken in favour of the Japanese-German *consortium. Competition, in this* case, came chiefly from American G.E., Westinghouse and Brown Boveri. The Japanese "understand" that a contract for another five generators will be awarded to *Canadian GE. They* attribute this to a recent policy decision in Venezuela to "spread" very major contracts between more than one nation or group of suppliers.

The next *instance of the work* sharing approach, so far as Japan is concerned, could be the Itapu hydro-electric project in Brazil. This will be even bigger than the Venezuelan scheme (900,000 *kW* against Venezuela's 805,000 kW) and would be carried out jointly by Toshiba, Hitachi and Mitsubishi (but without Siemens) if the Japanese bid is successful. The Itaipu project was discussed when President Ernesto Geisel of Brazil visited Japan last month. A decision on the contract is not expected until next year, or perhaps the year after.

The work sharing approach is particularly suited to South America, the Japanese companies say, because of the huge size of most South American projects. *This can involve serious* exchange rate risks, as well as financing problems, which may be too large to be shouldered by a single company. The exchange rate risk could become a mo[re] serious worry if the Yen co[n]tinues to strengthen agai[nst] other world currencies as it [has] recently been doing.

In the case of many [la]... plant export contracts the ... change risk is borne by a tr[ad]ing company which receives [a] commission in return. The w[ork] *sharing formula devised for* [the] Venezuelan contract cuts out [the] need for a trading company [and] consequently saves the ... major electrical companies ... value of the commission.

Although a joint approach [to] overseas contracts [may] become more usual, there is [no] question of the three big [elec]trical companies agreeing [to] divide up Japan's dome[stic] market between them in si[milar] fashion. This would be in ... breech of Japan's anti-mono[poly] laws and would invite pros[ecu]tion by the Fair Trade C[om]mission.

AP-DJ adds from Beirut: ... has awarded the Mitsub[ishi] group a \$400m. contract for [the] construction of a thermal po[wer] electric station in southern I[raq] *according to the Middle* [East] Economic Survey.

The station, which is to [pro]vide electric power for indus[trial] centres near Basrah, will [com]prise four generators each ... *a capacity of 200 megawatts*. [The] contract covers the supp[ly of] equipment and construction ... and is scheduled for comple[tion] by 1980, it said.

India has similar ideas

BY K. K. SHARMA

NEW DELHI, Oct.

WITH AN eye on the growing possibilities of winning turnkey contract in the Middle East, Indian private construction companies have *decided* to form a consortium to make bids for construction and engineering projects abroad.

The consortium is being formed at the initiative of Mr. Raunaq Singh, President of the Federation of Indian Export Organisations who has been impressed by the successes in the Middle East by the South Koreans who have formed a similar consortium. Mr. Singh intends to send a delegation to South Korea to study methods used there to enable companies to make joint bids.

Mr. Singh feels that instead of individual organisations [com]peting among themselves, often undercutting each o[ther] for construction contracts, a [con]*sortium will bring all comp*[anies] under one umbrella and hel[p in] winning the contracts.

Indian private companies [have] won some contracts in the Mi[ddle] East, but the main succe[sses] have been by public se[ctor] undertakings which are pres[ently] constructing a \$230m. town in Kuwait, airports in Ku[wait] and Libya, an industrial com[plex] *in Iraq and laying railway tr[acks]* in Iran and Iraq. In each of [the] last two years contracts w[orth] around \$1.5bn. have been won [by] the public sector. A sim[ilar] thrust is now to be attem[pted] by private companies.

Plant exports to Russia foiled

BY DOUGLAS RAMSEY

TOKYO, October

JAPANESE companies have failed in recent bids to export plant to the *Soviet Union* despite the long-delayed visit of an industrial group to Moscow in August.

A combination of high interest rates on Japanese export credit, a virtual halt in new Eximbank lending for major projects in the Soviet Union and the political rift caused by the Mig 25 incident are all blamed for the unsuccess*ful bids.*

The delivery and construction contracts, which reportedly went to European companies instead, were worth an estimated \$220m. Japan's failure to bid low enough on the contracts is paradoxical at a time when plant exports are running about twice as high as they did last year, and the industry anticipates worldwide *sales in 1976 at well over \$10bn.* — about ten times what they were in 1972.

The Japanese companies have been careful not to blame their failure on politics, despite persistent reports in the Press here that Moscow intends to vent its displeasure over Japan's handling of the Mig 25 incident by awarding contracts to non-Japanese companies.

In fact, the industry has stepped up its pressure on Tokyo *to liberalise interest rates on ex*port credits to the Soviet Union which are now voluntarily held to above 7.75 per cent. Equipment exporters here claim that European companies are regularly skirting the multilateral "gentleman's agreement" concluded at the San Juan summit last June, and they want to do so too.

The biggest project lost by Japanese bidders was for the construction of a \$120m. ammonia carrier dockyard. A consortium of heavy industries including Hitachi, Mitsubishi, IHI, Kawasaki and Sumitomo failed to make a low enough bid.

Similarly, two chemical plants each worth \$40m. went to European bidders instead of a Mitsui-led consortium (*for building a* Bishenol—a plant) and a Hitachi-Mitsubishi bid (for a phthalic anhydride plant).

The fourth and most recent failure was in bidding to supply a gas turbine compressor plant worth some \$20m. which Nissho-Iwai and Hitachi were jointly bidding on.

Earlier this month the Eximbank informed Japanese trading companies unofficially that new credit lines for Ru[ssia] *would be opened until the* [end of the] financial year. Since April, [ex]port credits for Russia h[ad] reached around \$500m., and [the] Eximbank was worried a[bout] giving Moscow too much of [the] little available credit.

The credit squeeze is qui[te a] blow coming only six mo[nths] into the financial year. M[any] companies are negotiating l[arge] *deals which presumably will* come off without govern[ment] finance. Mitsui and Toyo E[ngin]eering, for instance, hope [to] clinch a \$100m. deal to sell ... fertiliser palants, and a ... Steel-Nissho Iwai consortium [is] reportedly close to getting [an] order for a \$100m. synt[hetic] rubber plant.

Now these companies [and] others face (a) losing the [con]tracts (b) delaying their [trans]actions for a year, or (c) t[rying] to find private finance. U[nless] of course Eximbank chang[es its] mind. But that is unlikely [until] *it secures more finance for* [lend]ing, probably not until 19[77], together with the political [fall]out from the Mig-25 affair, [the] prospects of the market a[re not] as bright as Japan would ...

Australia boosts Soviet links

BY KENNETH RANDALL

CANBERRA, Oct.

AUSTRALIA AND the Soviet Union has agreed to set up an official working party to promote two-way trade between them in machinery and equipment. The agreement was made in Moscow at the third meeting of the joint commission established under the Australia-USSR trade agreement.

The official communique from the meeting to-day said the decision arose from a recognition on both sides that the potential for economic cooperation was not being fully realised and that specific new measures were needed to develop it. The commission meeting also discussed joint participation in industrial projects, although no specific measures in that regard were revealed in the communique.

Improved transport between the two countries, including shipping services between the Soviet Far East and Australia, was also considered at the meeting but without results being announced. The Australian Government would regard it as an inopportune time at present to start discussing publicly questions such as joint industrial ventures with the *Russians or an increased Soviet* maritime presence around its shores.

Not only has the Prime Minister, Mr. Malcolm Fraser, been taking a consistently strong *line against* the potential threat from Soviet naval strength in the Indian Ocean, the Australian shipping industry has been in uproar for several months at the incursions of cut-price Soviet *vessels into regional* trade.

The Moscow meeting, however, indicated that neither side wants to see political difference interfere with their trade. The commission "noted with satisfaction" that two-way trade was 1.8 times greater in 1975 than in 1974—roubles 329m. (\$A346m.).

The permanent head of the Australian Department of Overseas Trade, Mr. Douglas McKay, after leading the Australian delegation at the Moscow talks, flew to London to-day for a three-day meeting of Australian commissioners based in We[stern] Europe, a statement from [the] department in Canberra sa[id]. [The] meeting would review po[licies] and programmes a[nd] Australia's marketing an[d pro]motional strategies thro[ughout] western Europe, including [the] EEC.

Accent at Dutch fair falls on capital goods

BY MICHAEL VAN OS

AMSTERDAM, Oct.

WHAT IS described as Holland's largest commercial exhibition ever held abroad is to be staged *in Moscow from November 25 to December 3 inclusive.*

It was announced in The Hague before the week-end that the exhibition, in which over 100 Dutch companies will participate, using 50 stands, will be officially opened by the Dutch economics minister Mr. Ruud Lubbers. It will be his second visit to the USSR, having visited Moscow in 1975 as head of a trade delegation.

According to the Dutch organisers the Netherlands Centre for Trade Pro[motion] (NCH), *a great variety of* products will be on show, the accent on capital goods. [It] says that there has been su[bstan]tial interest in the exhibi[tion on] the Dutch side. In all, inc[luding] *preparatory work*, its tot[al cost] will be around Fls.5m. (£1m.).

As far as bi-lateral tr[ade is] concerned, the balance is c[learly] in Russia's favour. W[hile] *Dutch exports to the Soviet* [Union] increased to Fls.522m. la[st year] from Fls.455m. in 1974, ... into Holland advanced strongly, to Fl... (Fls.632m.).

هكذا من الأصل

Oil-platform builders seek new fields for survival

BY KEVIN DONE, INDUSTRIAL STAFF

NEW relaxation of oil-form building that has ady caused closure of one at Graythorp and threatens cond in Fife in February is ing the industry to diversify other fields to survive.

onoco's decision last week to ahead with preparations for lopment of the Murchison d was the first oil company ove to develop a North Sea for well over two years.

ecause of the prospect of an ty order book after April her yard, Highlands Fabrirs, the Scottish steel producplatform builders, has nted a drive to do alternawork to tide it over until next round of platformring begins.

ie company, formed in 1971 Brown and Root and Wimpey, uilding the last stages of its l steel production platform, c ready for float-out in six ths. It has no immediate ow-on orders.

r. Kevin Barry, the managdirector, said yesterday that Highland Fabricators was actively pursuing orders for three steel production platforms soon to be placed for the British sector of the North Sea.

He was confident that one of these would go to the Scottish yard at Nigg on the Cromarty Firth. But with nearly 3,000 workers on the 21,000-tonne platform for the Ninian Field, he is anxious to avoid a hiatus in flow of work after April.

Without the prospect of further orders the work force will start to run down early in the New Year.

Highland Fabricators is anxious to keep together the team that has completed two platforms for BP's Forties Field on time, and has prepared contingency plans to keep the yard in motion for at least two or three months after April.

With further platform business in a few months, Mr. Barry said, the break-up of the present work force would be "disastrous." In January the company began a survey of types of additional work that could be brought to Nigg.

Outside offshore engineering this varies from production of heavy tubular vessels, pipes, tunnel linings and process-plant modules to storage tanks, dock gates, bridges and barges.

It is also looking for orders for deck structures, buoy moorings, under sea completion systems and articulated columns.

Exploring the export market, it has shipped tubulars to France, Indonesia and the U.S.

Highlands Fabricators estimates that it will need about 1,000 tonnes of fabrication work a month to avoid breaking up the present work force after April.

The Nigg yard hopes for fabrication work on the first platform for Brazil's State-owned oil company Petrobras. A decision is expected in the next month. Highlands is a member of a consortium short-listed for the contract to build the Kessock Bridge for the Scottish Development Department across the Beauly Firth.

● Dr. John Cunningham, the Energy Under-Secretary, said yesterday Britain must use the opportunities afforded by North Sea oil to regenerate industry and make sure productive jobs were created in manufacturing. He was opening the World Offshore Exhibition in London.

Britain was on target for net self-sufficiency as a country by 1980. Five fields were producing at a rate of more than 1m. tons a month, and a sixth field, the Brent, was expected on stream soon.

The deadline for applications for licences under the fifth round of offshore licensing closes at noon to-day.

● BP said yesterday that it had plugged and abandoned its well 211/12-4 near the southern limit of the Magnus field. The rig Sedco 703 had moved to drill an appraisal well in the centre of the field.

Cadbury £5m. for biscuit factory

By Stuart Alexander

CADBURY TYPHOO is to invest £5m. on redevelopment at its Moreton, Liverpool, biscuit factory, one of its main plants for producing chocolate biscuits.

The project is expected to be completed by 1979 and is intended to expand exports to France, Germany and the U.S.

Cakes, biscuits, chocolate, and confectionery form a substantial part of U.K. food exports, though convenience foods are a rapidly growing sector.

The Moreton factory is one of six operated by Cadbury Typhoo, the convenience food subsidiary of Cadbury Schweppes, and employs about 3,000 people.

Its main products are biscuits, cakes, Smash, snack soups, Ice Pops, and tea bags.

Although the new equipment being installed will be less labour intensive deputy chairman Mr. H. Lavery said yesterday that over the transitional period more staff may be necessary and that subsequent higher output should create more jobs. The company expects to be able to develop new products using the extra profits from the biscuit output.

New ovens will allow greater flexibility to switch production emphasis, for instance from fully coated to half coated biscuits at a time when chocolate prices are soaring.

● NEWS ANALYSIS—NUCLEAR INSTRUMENTS

X-ray of a merger

BY DAVID FISHLOCK, SCIENCE EDITOR

HAD EMI been unable to buy Nuclear Enterprises, the Edinburgh-based medical and industrial instrument company, it would surely have been obliged to make an expensive investment from scratch in a highly promising new area of medical diagnostics.

But the take-over announced yesterday provides EMI with diagnostic instruments complementary to its commercially successful CAT-scanners, and affords Nuclear Enterprises with the overseas sales and servicing resources the smaller company was unable to finance itself.

The irony is that the merger takes place nine years after EMI disposed of its interests in nucleonic instruments to Nuclear Enterprises, partly on the grounds that the business needed to be developed by a specialist concern.

The deal was backed by the Industrial Reorganisation Corporation, and included a small business acquired from Elliott-Automation.

B[illegible] EMI and Elliott-Automation, according to the IRC annual report for 1967-68, shared "the IRC's view that resources should be concentrated in a company which, though small by their standards, had proved itself to be an outstanding specialist in this field."

Market

Since then, of course, EMI (which acquired a 28.8 per cent. interest in Nuclear Enterprises) has developed its own medical business on a considerable scale: nucleonic instruments are no longer as marginal to its main business as they seemed in 1967.

Behind the merger stands a booming market in the more affluent nations—North America especially—for the latest technology of detecting and diagnosing disease.

The CAT-scanner, in which a computer and some highly sophisticated maths have been harnessed to X-rays to generate more revealing than ever before, represents the most advanced and expensive end of this market.

The new market is called "imaging" and now embraces no less than five different technologies—CAT-scanners, conventional X-rays, gamma-rays, infra red (heat) rays and ultrasonic waves.

All five are advancing rapidly with the help of new radiation sources and sensors, backed up by high-speed computing techniques to generate and display vivid images of inaccessible parts of the body.

Their common feature is that all five are essentially non-invasive—they cause little or no disturbance or damage to the patient.

Cheaper

Nuclear Enterprises, having already made its mark in medical circles with its gamma-camera—one of a wide range of instruments using or measuring ionising radiations—came up with its modest equivalent of the CAT-scanner in the early 1970s.

This was the 2001 series renography equipment for ultrasonic diagnosis of kidney malfunction, an instrument in which it could claim a world lead. It derived from some outstanding scientific work in Australia on the imaging of ultrasonic signals, images of the body's organs far

There are several reasons why this sonar-like method of medical examination, in which sound waves are bounced off the organ under surveillance, could find an important niche in the diagnostician's armoury.

One is that it is vastly cheaper than the CAT-scanner—up to £20,000—while the CAT-scanner can cost £250,000 or more. It is quicker, too, while the patient—especially a pregnant woman—is not exposed to ionising radiation. This is a point which has begun to cause concern in some quarters over the possible promiscuous use of CAT-scanners.

Like other instruments in Nuclear Enterprise's extensive catalogue, the 2001 was developed in-house using company funds.

The company stands in the best tradition of science-based entrepreneurship. It was started by two brothers Drs. Robert and Derek Pringle, both distinguished scientists in their own right. The former—its chairman and dominating influence—is a geophysicist and member of the Science Research Council.

His links with the scientific and medical countries have allowed him to harness first-class advice.

In fact, it has been alleged that he runs the company "like a private research council," channelling most of its energies into creating technically outstanding instruments but tending to neglect the importance of marketing.

Under the terms of the merger, Dr. Robert Pringle is to relinquish his role as chief executive and become scientific and medical adviser to Dr. John Powell, managing director of EMI.

Evident

What, above all, the merger appears to offer Nuclear Enterprises in compensation for the independence the Drs. Pringle have so staunchly defended for two decades is the extensive chain of manufacturing, development, marketing and servicing facilities in which EMI has been investing in North America, in pursuit of the burgeoning market for CAT-scanners.

As seen from that small corner of the Department of Health with responsibility for promoting exports of U.K. medical products, the merger is no less than "vastly pleasing"—although the logic of it has been evident for at least a year or two past.

Dell meets op auditors o-day

Michael Lafferty

EDMUND DELL, Secretary Trade, to-day meets the idents of the three main U.K. ountancy bodies to discuss nt criticisms of auditors in artment of Trade reports.

r. Dell will want to know t measures the profession is ng to improve auditing dards and regulate its mem- where cases of poor auditing discovered. At a time when ernment thinking in general elieved to be moving against establishment of a Securities Exchange Commission to ulate the City, he will be ing guidance on whether the ountancy bodies need any her stautory support in reguing their affairs.

ttending the meeting will be Stanley Kitchen, president the English Institute of rtered Accountants, Mr. hibald Richards, president of Scottish Institute of rtered Accountants, and Mr. Peters, president of the ociation of Certified Accounts.

oth Mr. Kitchen and Mr. hards are partners in Touche s, the accounting firm inved in the Scottish and Unisal Investments affair. Mr. ll will be accompanied by ior Department of Trade icials.

Retail sales keep rising

BY MICHAEL BLANDEN

THE RECOVERY in retail sales continued in August, according to the latest figures published by the Department of Industry.

These show a fairly substantial rise in the amount of new hire purchase business during the month, while the index of retail sales volume has been revised upwards from the earlier estimate to suggest a further small increase.

The upturn may partly reflect special influences, including an exceptionally successful sales season and the initial impact of the income tax rebates and changes which came into full effect at the beginning of the month.

While a sustained recovery in retail activity is not expected, the figures nevertheless suggest that business is at least maintaining the higher levels reached recently after the falls earlier this year.

The final August index of retail sales volume is now put at 108.9 (1971=100, seasonally adjusted). This is rather higher than the previous estimate of 108 and indicates, the Department says, a further small increase after July's recovery from the lower levels of the previous two months.

Particular significance may be attached to the evidence that durable goods shops have maintained their earlier improvement. This is an area of retail sales which could be particularly affected by consumers' concentrating their purchases on special offers during the seasonal sales periods.

In August, however, the index of sales for this sector was slightly higher at 128, against 127, and over the latest three-month period they have shown an increase of 5 per cent. compared with the March to May period.

Because of the increased trade in July and August, the overall volume of sales in the latest three months was 1 per cent. higher than in the previous quarter. However, the average trade during the first eight months of this year was still about ½ per cent. below the previous annual average.

The greater activity is confirmed by the figures showing that new instalment credit from finance houses and retailers amounted to £304m. in August (seasonally adjusted). The rise was mainly attributable to a rise in the credit business of retailers.

The average weekly value of retailers' instalment credit sales in August was the highest so far this year because of a big increase in the value of sales in the "other instalment credit retailers" sector, which is mainly the mail order business.

Over the latest three-month period, instalment credit shows a significant rise, with total advances by finance houses up 3 per cent., compared with the previous three months and with advances by retailers increasing by 2 per cent.

HP CREDIT AND RETAIL SALES
Seasonally adjusted

	New credit extended by Finance Houses £m.	Retailers £m.	Total debt outstanding (unadjusted) £m.	Retail volume (revised) Total (1971=100)	Retail volume (revised) Durable goods shops (1971=100)
1975					
1st	286	425	2,265	111.3	129
2nd	309	450	2,266	108.9	130
3rd	303	445	2,257	105.5	111
4th	303	466	2,320	105.8	112
1976					
1st	343	495	2,297	107.3	118
2nd	385	488	2,363	106.7	121
1976					
Jan.	111	171	2,299	109.8	125
Feb.	111	165	2,296	107.1	121
March	121	159	2,297	105.5	112
April	127	164	2,320	108.5	128
May	126	165	2,356	105.7	117
June	132	159	2,363	106.1	119
July	126	164	2,386	[illegible]	127
Aug.	129	175	2,430	108.9	128

Source: Department of Industry

Tories demand tough 50-mile limit bargaining

By Ray Perman, Scottish Correspondent

ITAIN should use agreement such issues as direct elections the European Parliament and access of third countries to stal waters as bargaining nters in negotiations with the C Commission over fishing its, Mr. Alick Buchanan-ith, Conservative spokesman Scottish Affairs, said yesterafter a meeting with Mr. ice Millan, Secretary for tland.

he Government should make achievement of a 50-mile usive limit a matter of onal importance and be pred to use methods similar hose employed by the Italians French in protecting the rests of their farmers and growers, Mr. Buchanan-th said.

r. Millan had told him that would be taking a personal rest in the talks.

r. Buchanan-Smith said that ain's case in the talks had n gravely damaged by the ement made by Mr. Hugh wn, a Scottish Office Junior ister, that we did not have hope in hell" of getting a ile limit.

Household coal subsidy in EEC urged

BY ROY HODSON

SUBSIDIES for household and general industrial coal throughout the Common Market to keep sales up were proposed yesterday by Herr Hans-Rudolf Freymann, chairman of Stinnes Intercoal, the West German coal trading company, when he spoke in London to the Coal Industry Society.

If the EEC nations, and in particular Britain, France, West Germany and Belgium, were to maximise use of their coal resources, he said, then it would be necessary to give the same sort of help to the domestic consumer of coal and to general industry as already received by the steel industries and the electricity producers.

EEC predictions were being based on expanding markets for coal in electricity generation, steel making and, to some extent, chemicals.

The domestic and general industry coal users were being left out of all calculations, although they still purchased one-quarter of all the Community's coal production.

Herr Freymann claimed the picture for the European market for domestic and general industrial-solid fuels was "not a very bright one" at present. The four countries still producing domestic coal—Britain, France, West Germany and Belgium—accounted for home sales of 42m. tons of domestic coal in 1975. But sales were expected to fall to only 25m. tons a year by 1985. General industry would continue to burn some 25m. tons of coal a year in the Common Market. Thus the total use of domestic and industrial coal (other than in electricity generation and steelmaking) in the EEC was likely to amount to 50m. tons a year (or 20 per cent. of all coal consumption) by 1985.

Such a market was still big enough to be of great importance. It should be properly managed in order to organise an orderly withdrawal from the present tonnges to the expected tonnages ten yeasr hence.

Herr Freymann proposed that the EEC should extend coal subsidies to all member countries to the domestic and general industrial sectors so that they would not be a any disadvanage compared with the steel and lectricity industries.

Cargo broking work switched

N SUTCLIFFE and Son msby) is to cease to act as o brokers from next Monday Grimsby-Norway Line, sby, a wholly-owned subsidy of Det Nordenfjeldske pskibsselskabe of Trond-, takes over the activities at field.

hn Sutcliffe will continue to ate its groupage services to way, using NFDS vessels, to offer full forwarding ncy services.

Air taxi operators angry

Y MICHAEL DONNE, AEROSPACE CORRESPONDENT

FUTURE of business ion at Gatwick Airport is itened, says the Air Taxi ators' Association, which esents a large number of panies engaged in this type ying.

has protested to the British orts Authority over what it "premature, ill-conceived completely unnecessary" ictions imposed on business aft users at the airport.

om October, prior permis- preferably 24 hours in nce, is being sought for all ness aircraft movements gh the airport, and such ements must be handled by one of three nominated handling agents.

The association considers this action high-handed "because, despite promises, there has been no prior consultation on these questions with the airports authority, nor so far as we know with any other General Aviation body.

It was "premature" because the existing airports authority staff of the general aviation terminal at Gatwick were understood to have been told that they were to remain for at least a further five years.

It was "ill-considered" because the authority was imposing impossible conditions on the operation of business aircraft, and "unnecessary" because the present system had always proved most successful.

The airport authority says that it is prepared to discuss these matters with the association and other business aviation users.

But it points out that according to its policy statement issued earlier this summer not only were pressures on runway space increasing, but also that while it would prefer prior notification of using Gatwick, it was not insisting upon it as an inviolable rule.

APPOINTMENTS

CONTRACTS AND TENDERS

GOVERNMENT OF ABU DHABI

SEWERAGE PROJECTS COMMITTEE

CONTRACT NO. 118

Construction of Mafraq Sewage Treatment Works

Tenders are invited from experienced Contractors for the construction of a complete sewage treatment works having sufficient capacity to treat a flow of 14.4 million gallons per day. Tenders should be composite offers incorporating both civil works and all the necessary mechanical and electrical equipment to be erected in the following treatment units:

1 Inlet works incorporating screens, macerators, detritors and flow recording equipment.
2 Circular primary and secondary settlement tanks.
3 Aeration tanks incorporating surface aerators.
4 Effluent holding tanks.
5 Rapid gravity sand filters and chlorination plant.
6 Primary and secondary sludge digestors and sludge heater house.
7 Sludge drying beds and dried sludge disintegrator.
8 Sludge and sewage pumping stations.
9 Piled foundations for the major units.
10 Ancillary buildings and siteworks.

The overall time for completion will be 750 days but a major part of the works must be commissioned within a period of 650 days.

The works will be situated at Mafraq approximately 25 Kms from Abu Dhabi Island.

Tender documents may be purchased from 4th October 1976 by suitable firms or their agents from either the Sewerage Projects Committee, P.O. Box 3487, Fayed Building, Hamdan Street, Abu Dhabi, on payment of 15,000 Dirhams or from John Taylor & Sons, Artillery House, Artillery Row, London SW1P 1RY, on payment of 2,000 pounds sterling.

Tenders should be deposited at the offices of the Sewerage Projects Committee in Abu Dhabi not later than 18.00 hours on Monday 10th January 1977.

COMPANY NOTICES

[illegible]

LEGAL NOTICES

No. 003222 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of HIGHCROSS BUILDERS LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding-Up of the above-named Company by the High Court of Justice was on the 27th day of September 1976, presented to the said Court by the COMMISSIONERS OF CUSTOMS AND EXCISE of King's Beam House, 39-41, Mark Lane, London EC3R 7HE, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 1st day of November 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same. [illegible]

No. 003270 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of CATERFAST LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 30th day of September 1976, presented to the said Court by BRIGHTON BOROUGH COUNCIL of Town Hall, Brighton BN1 1JA, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 1st day of November 1976. [illegible]

[illegible]

PUBLIC NOTICES

[illegible]

PERSONAL

[illegible]

HOME NEWS

Reverse U.K. immigration policy, Powell urges

BY PETER HENNESSY, LOBBY CORRESPONDENT

MR. ENOCH POWELL, who is United Ulster Unionist MP for South Down, called last night for a complete reversal of Government policy on immigration.

Instead of attempting to "buy off" its consequences with "environmental or economic contrivances," the Government should encourage repatriation of 1m. "New Commonwealth" immigrants at a cost of £1bn over five years.

He told the Surrey Monday Club in Croydon that the problem would be transformed if inducements were directed to repatriation rather than permanent settlement of "New Commonwealth" immigrants in the U.K. The gravity of the alternative made it a cheap option.

"If repatriation is public policy, the obligation to provide maintenance from public funds to those unemployed or destitute or disabled is replaced by an obligation to provide for their resettlement in their homelands.

"Not only in financial terms, but in the much more significant terms of human skills, experience and qualifications the outlay would represent development aid of a size and effectiveness which current expenditures on aid could not match."

Mr. Powell painted an alarming picture of what he said would happen in Britain if his prescription was not followed. Disaster and catastrophe were inevitable if policy-makers continued to neglect the views of a public goaded beyond endurance.

More Home News, Pages 11, 12

"I have stated my conviction that physical and violent conflict musto sooner or later supervene where an indigenous population sees no end to the progressive occupation of its heartland by aliens with whom they do not identify themselves and who do not identify themselves with them."

Mr. Powell foresaw an African and Asian population rising from 2m. to 4m. people over the next 20 years if policy was not reversed.

Merely restricting further immigration would not reverse this momentum. The only escape was to reduce the existing population to prevent further growth.

At present the "indigenous" population was being replaced by Africans and Asians at the rate of at least 100,000 a year.

In the last 18 months the gravity of immigration had come home to the British public; only Parliament and the Press feigned ignorance. Referring to the disturbances in Birmingham and Notting Hill, he said: "You have seen nothing yet."

"They take upon themselves a fearful responsibility who scoff at policies of repatriation and insist that the people of this country, all of them, must accept the inevitability of the prospect which the inadvertence or timidity of a few years have created."

The public should give politicians no respite "until they have led the nation from under the shadow of disaster which overhangs it."

Tory plan to help small businesses

By Stuart Alexander

HALVING corporation tax, loan guarantees, helping with pre-delivery finance and setting up a training Board are among Conservative suggestions to aid small businesses published yesterday in the wake of the Party's policy statement put out at the week-end.

The proposals are contained in a discussion document published by the Conservative Political Centre. They also urge that VAT should be simplified, the Export Credit Guarantee Department's small exporters policy reintroduced, a small businesses commission established with the same authority as the CBI or the TUC to offer the Government views on legislation and regulations.

This latest move to woo the small businessman's vote comes soon after the launch last week of a Tory newspaper specifically aimed at the small businessman and the promise of a Minister to represent their interests.

The booklet, produced in time for the industry debate at the party conference at Brighton on Thursday, claims that more attention and help for small companies would not only increase exports but create a large number of jobs.

Little attempt is made, however, to differentiate between industry and retailers, nor does the booklet tackle the problem of the effects of city centre development and resulting increase in rents on smaller businesses.

Instead, the proposals concentrate on financial incentives and simplification of book keeping, while recommending that the VAT threshold should be raised from £5,000 to £9,000 and that profits up to a ceiling of £100,000 should attract half rate of corporation tax.

The authors of the pamphlet are Rosemary Brown, a journalist and company director, Mr. Joe Hayton, company secretary, Mr Christopher Sandy, tax manager, and Mr. Peter Brown, company chairman.

Small Businesses: Strategy for Survival; Conservative Political Centre; £1.

Local council mortgages total 102,000

By Michael Cassell, Building Correspondent

JUST OVER 100,000 local authority mortgages, 88 per cent of which went to first time buyers, were arranged last year.

Provisional results of a new sample survey conducted by the Department of the Environment show that the 102,000 advances made by local councils were worth £636m. and that the average price paid for a home financed with the help of a local authority was £7,190.

The average mortgage advance during the same period was £6,260, accounting for approximately 87 per cent. of the purchase price.

The Department's survey, which was designed to cover a 20 per cent. sample of loans made by authorities in England and Wales—excluding the Greater London Council—also shows that the average income of borrowers was £3,210 a year.

First time buyers paid an average £7,130 for their house and received, on average, a 90 per cent. advance. Former owner occupiers paid £7,180 on average and received an average advance of 68 per cent.

The survey also shows that 62 per cent. of all loans were for homes built before 1919—the figure was 66 per cent. for the GLC. The average age of all borrowers was 28 years and 46 per cent. of mortgages went to people under 25.

Just over half of all local authority home loans were in the form of an option mortgage and low start mortgages accounted for another 11 per cent. of all advances.

Water restrictions end for thousands of users

WATER RESTRICTIONS ended yesterday for much of industrial South Wales and also for 300,000 people in Ulster.

The recent heavy rain has increased reservoir levels and meant that the major part of the South East Wales drought area — including Cardiff, Newport, South Glamorgan and South Gwent—was back to normal after restrictions and overnight cuts lasting six weeks.

"Inessential" uses such as car washing and watering gardens will be allowed again, but people in all areas are asked to continue with voluntary saving of water. Exceptions where restrictions will be continued are parts of the Lower Rhymney Valley, Taff Valley, Taff Ely District and Usk Valley, and areas served by the Talybont and Taff Fechan reservoir.

In North Down and South and East Belfast, a 12-hours night-time switch-off introduced on September 8 has been called off because of exceptionally heavy rain last month. Mr. Ray Carter, Northern Ireland Under Secretary, said, however, that greater than average rainfall was needed this winted if a similar water crisis was to be avoided next year.

Water restrictions in South Wiltshire and Dorset are to be eased from midnight on Wednesday. Mechanical car washers, the washing of road vehicles, cleaning of the exterior of buildings and the operation of automatic flushing cisterns will be permitted again, but a ban on domestic hosepipes and sprinklers is to remain.

Warning

In the London area, however, a warning that "the drought is still with us" was made by Mr. Peter Black, chairman of the Thames Water Authority.

"In the London area alone we are 21,000m. gallons below our normal reserves, and the story is much the same throughout the region.

"It is vital that each of us continues to make every effort to save water in the home, even if it is pouring with rain outside. Until we make up this huge deficit the drought is still with us," Mr. Black said.

Managers Institute in NEDO link-up

By John Elliott, Management Editor

THE BRITISH Institute of Management last night scored its first significant success in its campaign to become a key voice in national affairs by announcing that it would take part in a joint management committee with the National Economic Development Office.

The committee will work on the Government's industrial strategy under the chairmanship of Sir Ronald McIntosh, NEDO director general. It will be made up of senior members of the Office staff plus 14 national, regional and branch representatives from the institute.

This announcement has been timed to coincide with an associated event in the institute's development when to-morrow it holds a special general meeting to abandon its legal status as a charity. It believes that its charitable status could impede it from taking part in political affairs.

At the same time the chairmanship will pass from Sir Frederick Catherwood to Sir Derek Ezra, chairman of the National Coal Board, and tomorrow, the Prime Minister will address the council's annual dinner.

Campaign

The creation of the committee—called the BIM-NEDO Professional Management Advisory Committee—is therefore a first step in the institute's campaign to represent managers in national affairs.

But it also serves a purpose for the NEDO, which is anxious to boost its industrial strategy work by involving a group such as the representatives of management in studies so far carried out by individual industrial working parties.

The committee will meet three or four times a year and might be supplemented later with other specialist groups such as the Council of Engineering Institutions.

"It is vital that the industrial strategy should take management implications and practicalities fully into account," Mr. Roy Close, director general of the institute said yesterday.

"It is equally vital that the strategy should carry the confidence and commitment of those who have the responsibility for effective management on a day to day basis."

World Value of the Pound

The table below gives the latest available rates of exchange for the pound against various currencies on October 4, 1976. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Exchange in the U.K. and most of the countries listed is officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorised dealer.

Abbreviations: (S) member of the sterling area other than Scheduled Territory; [illegible] Scheduled Territory; (o) official rate; (F) [illegible] rate; (T) tourist rate; (n.c.) non-commercial rate; (n.a.) not available; (A) approximate rate, no direct quotation available; (sg) selling rate; (bg) buying rate; (nom.) nominal; (ex) exchange certificate rate; (P) based on U.S. dollar parities and going sterling-dollar rate; (Bk) bankers' rate; (Bas) basic rate; (cm) commercial rate; (cn) convertible rate; (fn) financial rate.

Sharp fluctuations have been seen lately in the foreign exchange market. Rates in the table below are not in all cases closing rates on the dates shown.

Place and Local Unit	Value of £ Sterling	Place and Local Unit	Value of £ Sterling	Place and Local Unit	Value of £ Sterling
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

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The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● ENERGY

British idea gets a fillip

WITH THE acquisition by Stone-Platt Electical of the majority interest in Fluidfire Development, the latter will undoubtedly find marketing and manufacture of its ingenious energy-saving products on a world-wide basis far easier than hitherto.

For a small private company, partly supported by work at a university, to conclude successful business arrangements with large foreign concerns which have become vitally interested in inventions which can revolutionise both the heat-treatment and the heat-recovery industries, is extremely difficult. Now, the problem is largely solved.

Stone Platt Electrical is particularly strong in packaged and coiled tube boilers and Fluidfire has developed fluidised bed combustion units which permit typically 30/50 per cent. better heat extraction from fuel by submerging objects to be heated, or steam tubes, in a constantly moving bed where the fuel undergoes combustion—hence the description fluidised bed.

Fluidfire was formed five years ago to exploit the ideas of the late Professor Elliott of Aston University and Mr. Michael Virr, managing director, in the application of shallow fluidised bed furnaces and waste heat boilers and incinerators.

The fluid bed is built up from particles such as sand or aluminium oxide in which the direct firing of a gas/air mixture takes place, the sand or alumina being kept in suspension like a liquid by the air blast.

Such furnaces can with advantage replace the traditional salt or molten lead baths in heat treatment application and are both clean and economical to run.

The heat exchanger principle—providing extended surface tubing in the fluidised bed to remove the heat with high efficiency, has been applied to a series of packaged heat-exchangers to take otherwise wasted heat from furnaces, ovens, diesel exhausts and the like.

Because these units have exceptionally good heat transfer coefficients, recovery is high and, depending on the type of installation, the manufacturer claims to be able to provide equipment which can be written off in only six to 18 months.

Fluidfire equipment now goes on Stone-Platt's marketing list all over the world and technical development continues. The link with Aston is being maintained.

The chairman of Stone-Platt Electrical, Mr. Robin Taverner, becomes chairman of Stone Platt Fluidfire while Mr. Virr continues as managing director.

Further from 10 Washington Street, Netherton, Dudley, West Midlands. Dudley 211551.

● COMPONENTS

Towards one Megabyte on a chip

IN A SET of London presentations to large IBM systems users in the U.K., senior Intel add-on memory specialists have given an inkling of future LSI memory developments and the time-scale for them.

The presentations were to launch Intel's add-on memory for the 370/168 in the U.K. market. Intel has already provided advanced memory at three British 158 sites.

Throughout Europe it is to be handled by Telex. The exception is Scandinavia where separate arangements exist.

Memory comes in one Megabyte segments, going up to a maximum of seven Mgb in a 168 installation.

The largest provided so far by Intel is 6Mgb at General Motors in Canada. It has also gone beyond the "IBM maximum" with a 5Mgb installation on a 158 with the Santa Fe Railroad.

Coming soon is a 370-125 add-on memory, going up to 1Mgb and built in 1k chips. In the 138/148 add-on market the company is using 16k chips, which Intel is now shipping in quantity.

A continuing fall in the cost of memory is foreseen well into the mid-eighties, as well as a continuing trend to increase chip capacity.

This should quadruple every two years, at least for the next four years. The 64k chip currently under development at Intel should appear "in quantity" in 1978, and the 256k chip which is now being studied will appear in 1980.

The schedule may then lengthen out. The 1Mgb electron beam chip is not expected to be shipped by Intel till around 1983. One of the reasons for the extra development time required has much to do with heat dissipation. With current LSI chip technology, a 1 degree C temperature rise occurs with every Mgb. What happens at the greater densities envisaged, no one is certain.

Intel is talking of prices of the order of $1,000 per Megabyte, and probably down to $100 a Megabyte by the mid-eighties. No one is prepared to speculate about what this will do to the plated wire and core memory business.

● MACHINE TOOLS

Accessories for faster machining

HIGHER ROTATIONAL speeds on turning machines, increasingly demanded by advances in cutting tool technology, have introduced problems, some of which can be solved with a range of machine tool accessories launched by Gamet Products, Hythe, Colchester, Essex CO2 8LD (0206 42121), part of the 600 Group.

Built-in compensating weights in a high-speed power chuck overcomes the loss of grip in the jaws caused by centrifugal force. For example, the 12in diameter chuck from the range can be operated at speeds up to 50 per cent. above the maximum for a conventional chuck of this size (usually restricted to 2500 rpm). The company's new through-bore cylinder for bar work turning has also been designed to operate at speeds which are 50 per cent. higher than conventional types.

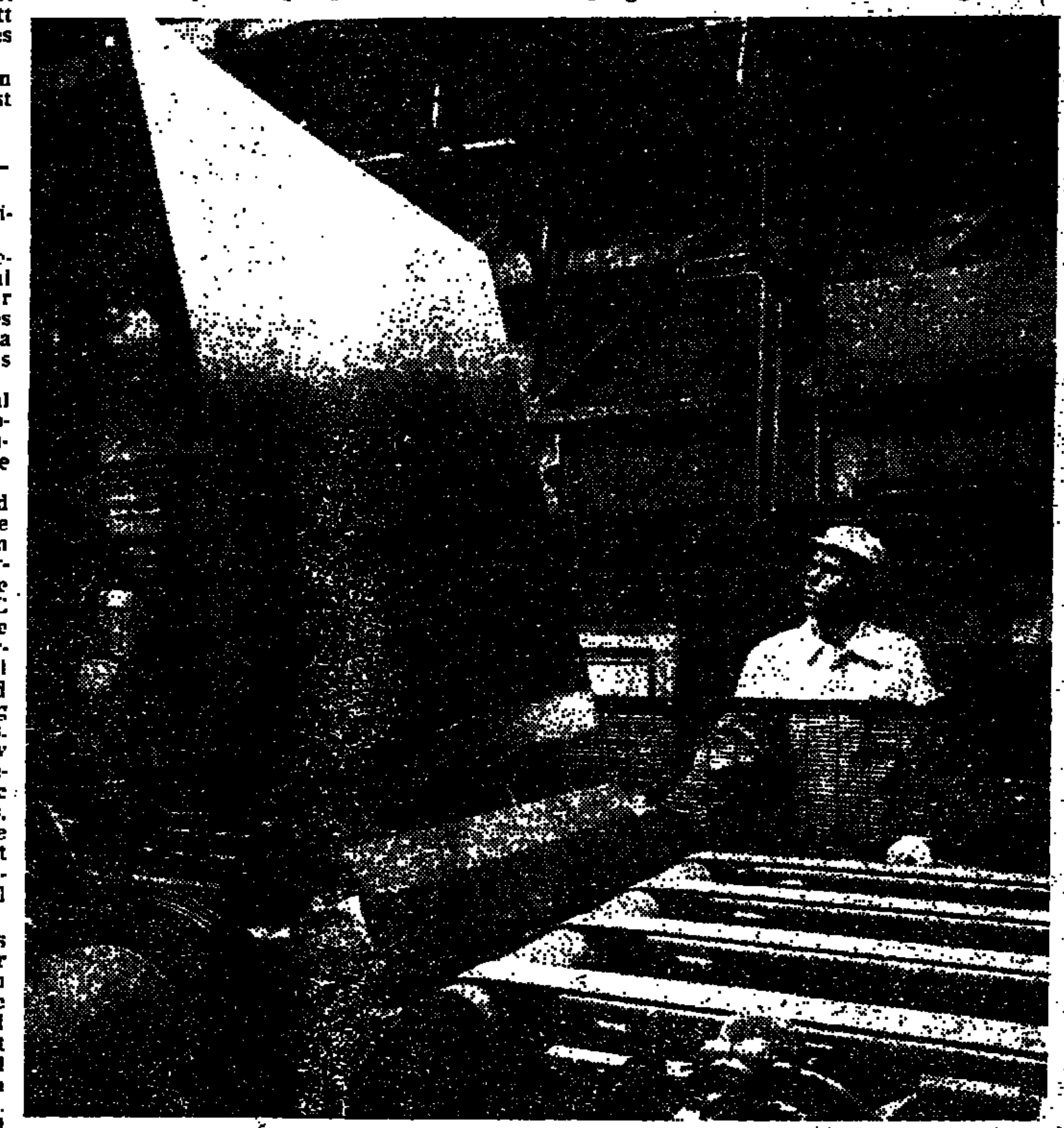
On batch production—second operation turning, the workpiece is usually held in pre-turned soft jaws, resulting in lost productivity while the jaws are machined. Gamet has developed a jaw boring fixture which enables the jaws to be prepared on a separate lathe. The fixture is calibrated to suit any one or all of the chucks in use, and soft jaws prepared on this fixture will retain the accuracy required when fitted to the chuck on the production machine. Serrated or cross tenon jaws can be covered as required.

It is claimed that the cost of the jaw boring fixture is recouped in a few months.

Expansion differentials between the component parts of a headstock create bearing problems, particularly when there are wide speed variations. This problem can be solved with the company's hydraulically compensated pre-load bearing. Known as the Hydro P, it incorporates a hydraulic, piston-action sealing ring against which the bear[ing] outer race reacts in axial mod[e].

Variable hydraulic pressure [is] applied between the piston [and] flange on the bearing outer ra[ce], the pressure conforming to var[ia]tions in spindle speeds. Sprin[gs] are retained in the bearing [to] ensure a safe minimum pre-lo[ad]. Improved stiffness is stated to [be] obtained at all speeds.

Other accessories launched [by] Gamet at Mach 76 include [a] range of hydraulic equipm[ent] and manifold blocks; a range [of] rotary air cylinders for use [with] various work holding devi[ces] and an imperial/metric con[ver]sion dial offered as a pack[age] which includes a central blank bush—this can be bored by [the] customer to a diameter to s[uit] the shaft end of his machine.



Visual inspection of a sheet of phenolic resin laminate at the new £2½m. industrial laminates plant officially opened last week by Bakelite Xylonite, at Tyseley. The object was to provide a modern, automated line for copper-clad laminate sheet to operate in the cleanest possible conditions. Metal cleaning machines have been included in the process flow while critical parts of the plant are located in clean rooms. Capacity is 3,000 tonnes and copper clad laminates up to 50 inches square can be manufactured.

● AGRICULTURE

Self-loading fertiliser spreader

A TEN-FOLD increase in productivity is claimed for the first self-loading fertiliser spreading vehicle produced in the U.K. by Pertwee Landforce. It is stated to be capable of treating 500 acres/day. Key feature of the machine is the speed and ease of loading the 10 tonne hopper, which can be filled in less than 15 minutes by using the vehicle-mounted crane.

A full hopper carries sufficient fertiliser for 37 acres and can be spread in 25 minutes. The conventional 1 or 2 tonne spreaders which have to be filled by ripping and tipping sacks of fertiliser average less than 50 acres/day.

The company says spreading accuracy is assured by using a belt-drive feeding fertiliser to the hydraulic spinner discs positioned higher than is feasible for conventional equipment. The machine is fitted with a marking device which drops blobs of harmless foam to indicate the area treated on each run, ensuring correct ground cover.

A 41ft turning circle helps to maintain the spread pattern, while four-wheel drive increases control and reduce soil disturbance, particularly on cornering. The machine is based on a Ford D Series Model No. 1414, modified for four-wheel drive and raised to accept flotation tyres.

Soil compaction is avoided, as with the flotation tyres ground pressure is reduced to 22 psi. The vehicle is 25ft long, 8ft 2½ins wide and 11ft high (13ft 6ins including crane). Working speed is 18 to 25 mph and road speed is 40 mph.

Details from Pertwee Landforce, Harbour House, Hythe Quay, Colchester, Essex, CO2 8JF (0206 43221).

● AVIATION

Improving traffic control

FEDERAL AVIATION Administration of the U.S. has named Computer Sciences Corporation (CSC) to improve and expand the automated computer services which help guide air traffic across the United States.

The contract is for 36 months of activity. Initially identified tasks are valued at approximately $1.5m.

Substantial revision and redesign of the real-time central monitoring system used by air traffic controllers in 20 centres to store and manipulate data about cross-country flights is called for.

"Enroute System" is essential to flight safety because it supports the need of air traffic controllers directing flights to the vicinity of airports.

Under the FAA's automated air traffic control procedures, the control of flights passes from the Enroute System to a Terminal Area System in the vicinity of airports. The CSC design will interface with the computers of the automated terminal system. Both systems will "optimise manoeuvre times and holding patterns," contributing to flight safety and fuel savings.

This move cannot be entirely unconnected with earlier reports of unrest among air traffic controllers at several centres, including Indianapolis because of what they called "frequent outrages" of the FAA's computerised air traffic control system.

It is understood that FAA has admitted to 97 blanks of under one minute and 29 of more than one minute in the period June 1 to July 10 this year around Indianapolis. The equipment was specially built by IBM and the software developed over a long period under FAA control.

Failures have been attributed to lapses in both hardware and software by the controllers who claim they have to correct the mistakes and switch to backup with very little time to spare since two minutes outage could bring two aircraft 20 miles from each other into dangerous proximity.

● SECURITY

Keeps hotel rooms safe

THEFTS from hotel rooms are still on the increase but at the same time proprietors are looking for security methods that will not add yet further big increases to their costs.

A problem with many of the digital door locks appearing on the market is that they contain active electronics and require some kind of cabling (for power or signal purposes) or batteries. But now Cardkey of Reading has launched a lock that uses only magnetic techniques and can be installed from about £90 per room.

A plastic magnetically encoded programme card is installed in a few seconds in the lock by the management when a new customer rents the room and the latter is issued with his "key"—an identically coded card. To get into his locked room the customer simply inserts the card (it is about the size of a credit card) into the slot, presses gently, and the lock is released.

The lock has 36 magnetic tumblers in a matrix which are made free to move in a certain pattern by the presence of the programme card, using attraction/repulsion of poles. Only if the identical customer card is inserted will the tumblers withdraw to free the lock.

There are millions of possible combinations using presence/absence and north/south pole changes, and the company claims that it is virtually impossible to copy a card because of critical factors like field strength, card thickness and mechanical factors; they can if asked even put dummy magnetic areas on the customer cards which, although they would be read by a criminal's equipment, would be of the wrong field strength to form part of the unlocking pattern.

A more complicated version is available in which the card lock is nullified by a lever near the inside knob and another which has a keyway on the outside knob and pushbutton on the inside. When the button is engaged card operation is prevented and access is by emergency key only. With the button released access is by card or emergency keys; the inside knob can open the door at all times.

For industrial security applications Cardkey can apply the card technique to grant and monitor access in many different ways and can link in time/wages schemes and even flexible working hours. 43, Milford Road, Reading, Berks. RG1 8LG (0734 582804).

● COMPUTING

Key-to-disc for the small user

DATA 100 has brought out equipment for data entry at sites where information flow is comparatively low, with concurrent data entry and remote batch requirements. It accommodates one or two local key-stations and allows the user to enter, edit, verify and store source data on three floppy discs.

It is compatible with the larger versions of Data 100's Keybatch system, and a user may upgrade to larger units by field replacement of the floppy disc drives with a cartridge disc drive.

Keybatch/Diskette may be configured as a stand-alone, local processing system; in a Keybatch-to-Keybatch communications network; or as a remote processor connected to a large host computer.

Local key-stations, consisting of display and keyboard, are used for data entry and system control. Three diskettes of 242,000 characters each are dedicated as follows: one for entering system data and user formats and tables; one associated with the first key-station for data entry, job output and data from communications lines; and one performing the same functions with the second key-station or providing expanded capacity in a single station configuration. A terminal controller provides control, processing, memory and input/output functions.

Data 100, Hamilton House, 111 Marlowes, Hemel Hempstead, Herts. HP1 1 BB. 0442 66511.

● INSTRUMENTS

Recording calorimeter

DEVELOPED BY the London Research Station of the British Gas Corporation is a recording calorimeter which is believed to be a considerable advance on conventional instruments.

As with the traditional instrument, it will determine, indicate and permanently record the calorific value of any gaseous fuel, and was developed to act as the statutory instrument used for checking gas supplied by the Corporation—some 25 to 30 instruments will be required to cover the U.K.

Features of the instrument are that it is less than half the size of current equipment, is lighter, requires no large water tanks or water supply, the gas metering does not rely on liquid levels, and there is no need for the carefully controlled environment normally required in a calorimeter room.

It is thought to be the first calorimeter of its type to use modern electronic technology, and this together with its modular construction enables it to be made at 20 to 30 per cent. less cost than competitive instruments. Installation costs are also much less. These features should enable it to be used on offshore gas production platforms.

Although the Corporation is unable to make the instrument for sale, it is interested in negotiating licences to suitable manufacturers for world-wide exploitation—details from the London Research Station, Michael Road, London SW6 2AD (01-736 3344).

LABOUR NEWS

TGWU moves near break with building negotiators

BY OUR LABOUR CORRESPONDENT

TRANSPORT and General ...kers' Union moved a step ...er withdrawing from the ...onal Joint Council for the ...ding Industry yesterday ...use of deteriorating rela... with the Union of ...struction, Allied Trades and ...nicians.

...WU building industry dele... met and agreed to ...ort any decisions at a special ...ing of TGWU craft building ...gates later this week aimed ...inning more influence for the ...n.

...fter yesterday's meeting Mr. ...rge Henderson, TGWU ...onal building secretary, said ...peared likely that the craft ...on would call for withdrawal ... the national negotiating ...hinery.

...is latest move in a prolonged recruitment battle between the TGWU and UCATT could well lead to collapse of the national negotiating machinery which sets minimum wages and conditions for 800,000 workers.

It is clearly part of a TGWU plan for a membership drive in the building and civil engineering industry, where UCATT has traditionally been the major union, although the majority of building workers belong to no union.

If, as seems likely, the TGWU carries out its threat, it could mean the end of centralised bargaining as the TGWU seeks agreements with individual companies.

TGWU building delegates decided yesterday to convene a meeting of tunnel workers' representatives later this month in a bid to defuse tunnellers' anxieties which have led to a series of unofficial strikes in recent months.

The delegates' meeting will consider such items as training and intake, safety, health and welfare, and rationalisation of bonus agreements. The TGWU is considering the possibility of staging a demonstration to draw attention to the high unemployment levels in the construction industry.

Campaign to recruit steel managers

BY OUR LABOUR STAFF

LARGE-SCALE recruiting ...paign among middle ...agers in the steel industry ...been launched by the Elec...al and Engineering Staff ...ociation.

...he association, the white... ...ar section of the Electrical ... Plumbing Trades Union, is ...rmined to strengthen its ...e in the industry from 250 ...nbers now to about 2,000.

...he main casualty of any ...res would be hte non-TUC ...l Industry Management Asso...ion, which has negotiating ...ts for middle managers in ... British Steel Corporation ...ied to EESA.

The recruiting leaflet being circulated among managers in the electrical, telecommunications and plumbing areas of steel to-day makes specific reference to "current controversy" about the proposed merger of the management association with the Iron and Steel Trades Confederation, the main steel union.

The tone of the leaflet confirms that craft unions will fight vigorously any attempt by the management associations to affiliate to the TUC. If, as now seems likely, the merger with the steel confederation does not go through.

Benefit limit plan attacked

BY DAVID CHURCHILL, LABOUR STAFF

...VERNMENT PLANS to limit ... amount of unemployment ...efit to people who retire ...y have come under heavy ...icism by Civil Service unions.

...he unions claim that the ...ns, which would limit the ...ount of benefit to people who ...re between 60 and 65 and ...eive an occupational pension ...£25 per week, are a further ...ick on their members condi...s in addition to the man... ...ver cuts to be implemented ...r the next three years.

...n effect the plans would deter ...il servants from retiring early, thus reducing the natural wastage rate and leading to compulsory redundancies to achieve the level of cuts required. Moreover, civil servants who were forced to retire early as part of the cuts programme would be unfairly hit, the unions claim.

Mr. Bill Kendall, secretary general of the staff side of the Civil Service National Whitley Council, has written to the Government to protest at the plans.

In a separate letter, the Society of Civil and Public Servants states that its membership is "extremely angry" at the proposals and consider them the "last straw" to the planned cuts in the Civil Service.

In a reply to the unions, Mr. Stanley Orme, Social Security Minister, states that national insurance contributions cover other benefits apart from unemployment benefit and, in any case, the contributions "have given cover for unemployment benefit up to the age of 60."

Moreover, he said that the Government considered the cost of early retirement for men—estimated at up to £2,000m.—to be too great to implement in the economic situation.

Carrier captain in court

THE CAPTAIN of a Liberian bulk carrier which has been stranded on the Upper Clyde for nearly three weeks after being blacked by tug crews, is to appear in court to-day.

The German master is accused by the Clyde Port Authority of refusing to move the 8,200 ton Emsore from the British Steel Corporation's general terminals quay once unloading was complete.

The carrier has been blacked by the National Union of Seamen at the request of the International Transport Workers' Federation because union officials claimed after a visit to the ship that the crews' pay and conditions did not reach Federation standards.

The owners, Transatlantic Bulk Crriers of Monrovia, have so far refused to negotiate a new agreement. The union insists the the vessel will remain tied up until they do.

Scotland warning by Tory students

BY RAY PERMAN, SCOTTISH CORRESPONDENT

...IE FEDERATION of Con...rvative Students predicted ...sterday the annihilation of the ...rty in Scotland if it is seen to ...l the Government's devolu...on Bill, which is to be intro...ced into the Commons next ...ssion.

...Devolution is to be discussed ... the first time nationally by ... party at its conference in ...ighton, which opens to-day, ...t no vote will be taken on the ...ue.

Although in favour "in ...nciple" of some measure of ...olution making being trans...rred from Westminster to ...otland, the party is committed ... vote against the Bill on the ...unds that it would create ...other tier of expensive govern...nt.

...But even this half-way stand ...likely to be rejected by a ...ge number of English dele...es to the conference, who see ...volution as mere pandering to ... Nationalists.

...n a statement yesterday, the ...dents' federation said: "At the moment the party nationally still appears to be in disarray over the issue of devolution.

"The attitude of the Tory MPs at Westminster will determine whether an assembly is going to be set up and indeed the future existence of the U.K. itself.

"If the party is seen to kill the Government Bill and consequently the Assembly, then we could find ourselves on the course to self annihilation and the architects of the destruction of the U.K."

The federation says cuts in the Conservative organisation in Scotland and a deterioration in morale have severely weakened the party so that on issues apart from devolution it has made little impact and attracted little publicity.

It recommends the Scottish Conservative and Unionist Association, which functions as an independent unit, should be merged with the national union to form one party for the U.K.

Creation of Assembly attacked

THE CONSERVATIVE PARTY was urged yesterday to mount a sustained counter-attack on those who "under whatever guise" believed that the creation of a Scottish Assembly would lead to better government in Scotland.

The call was made by Mr. Ian Gow, Conservative MP for Eastbourne. He told a Glasgow meeting that such an assembly would not mean better government.

"It will add to the bureaucracy. It will increase frustration. It will be a constant source of potential conflict between London and Edinburgh. It will enable the nationalists to exploit grievances real or illusory," he said.

"It will be the midwife of separation and the precursor of the break up of the Kingdom."

Mr. Gow said the assembly offered a false diagnosis of the national sickness in Britain. The cause of that sickness in Scotland was emphatically not the absence of an assembly in Edinburgh.

The Scots, like the English, were yearning for success, he said.

Politicians 'must listen to ordinary people'

...OTLAND faced a grim pros...t unless politicians treated ...volution with cool heads and ...re ready to listen to ordinary ...ple, a senior Scottish Con...vative said yesterday.

...f they do not, "ambitious ...n" would thrive on the con...ion that would follow, said ... Michael Ancrant, the party's ...e-chairman in Scotland.

...He told a meeting at Miln...ie, near Glasgow: "I believe ...t people in Scotland want an ...embly. But they want one to ...resent them, to speak for ...m—not one which will in...ase State interference in ...ir lives.

"They are looking for better government, not further government; less government, not more.

"And if an executive assembly must come, then one tier of local government must go. That at least seems irrefutable.

"Unless in the coming months politicians approach devolution with cool heads and ears open to the wishes of ordinary people, the prospects for Scotland are grim."

Quarrels 'stop action on jobless'

AN MP claimed yesterday that the Scottish Office was so "bogged down" in devolution quarrels that nothing was being done to reshape the Scottish economy in which 150,000 people were jobless.

Mr. George Younger, Conservative member for Ayr and a former Scottish Office Minister, called on the Department to launch a "determined drive" to persuade unemployed Scots to re-train.

SLP leader offers Foot referendum alternative

A REFERENDUM on Scottish government would create more problems than it would solve, Mr. Jim Sillars, leader of the breakaway Scottish Labour Party, claimed yesterday.

He said he had written to Mr. Michael Foot, Leader of the Commons, suggesting that as an alternative to a referendum a joint parliamentary constitutional commission should be set up.

The commission would be composed of an equal number of members from the Scottish Assembly and Westminster Parliament, with co-chairmen drawn from each body. It would review the working of the Assembly Act and submit a report at two-yearly intervals.

"To date, expediency has been the hallmark of the Government's approach to the issue of Scottish Government," Mr. Sillars said.

"If the referendum is produced as part of some shabby deal between the Government and a group of its own backbenchers, it will be seen that once again expediency has triumphed over sound judgment."

Mr. Sillars added: "Most proponents of a referendum either want to fiddle Scotland out of its Assembly or freeze Scottish political opinion on the home rule issue. These motives are essentially anti-democratic, and any referendum based upon them will soon be recognised as an anti-democratic device, and its use will sour relations between a large section of the Scottish population and the rest of the U.K."

HOUSE OF LORDS

PARLIAMENT

Loan will finance industry regeneration, says Peart

BRITAIN is engaged in a balancing act and this is the last chance to get it right, Lord Peart, Leader of the House, said in the Lords yesterday.

Opening a debate on the economy, Lord Peart said it was a balancing act involving the Government, industry and the TUC. If one party disrupted it, the whole would be brought down.

But the Government had the correct broad strategy. "We must not be panicked into introducing short-term measures without considering the long-term effects."

Lord Peart said Britain was going to the IMF in the confidence of shared objectives. The credit would be used to finance the Government's programme of investment and industrial regeneration.

He also told the House there would be very little room for any increase in public or private consumption in the coming year. The Chancellor's forecast for the growth of the economy for the 18 months from the end of June this year contained good guides.

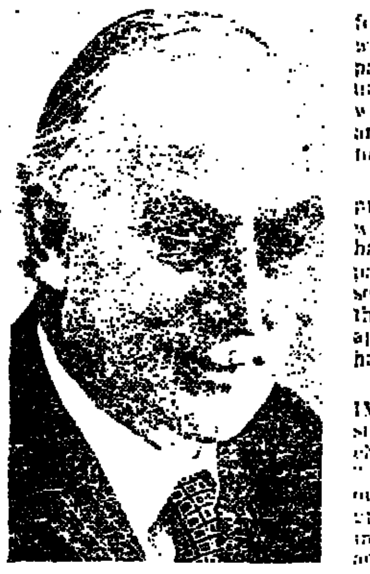
For the Opposition, Lord Thorneycroft said we had moved beyond the stage when words were enough. Long-term action was required.

"We will not find an economic miracle but we will have to find certain changes in direction and emphasis in this country. What is needed is a policy of realism, restraint and common sense, in which a mixed economy can flourish."

Inflation rate

Lord Peart had argued that prospects were good for a resumed growth in world trade and for Britain's exports this autumn. Instead of looking at the state of the economy in the beat of the moment, considered analysis was needed and steady resolve to distinguish between short-lived symptoms and lasting malaise.

"That there is a malaise, a British sickness, is clear." The solution would not be easy or quick.



LORD PEART
"Shared objectives."

On the halving of Britain's inflation rate, Lord Peart said that abroad the scepticism of a year ago was being replaced by an active interest in emulating the Government's policy.

Figures of public expenditure and the borrowing requirement this year were running as planned. "We are confident that the out-turn of the borrowing requirement will be on, or a little below, the Chancellor's Budget estimate of £12bn."

The Chancellor's forecast for the growth of the economy for the 18 months from the end of June this year contained good guides for what was to be expected.

The Chancellor looked for increases in gross domestic product at an annual rate of about 4½ per cent, and of manufacturing production at an annual rate of 8½ per cent. "Over this period, practically the whole of that increase is to be devoted to 'export and invest,' including stock building.

"If we could continue on that path, not only for the 18 months the Chancellor mentioned, but for another two years after that, we will have succeeded." That path would not bring down unemployment quickly as there was no way that could be done and at the same time enable us to keep inflation down.

Turning to an account of the pressure on sterling in recent weeks, Lord Peart said that this had increased in September partly because of the threatened seamen's strike. But following the announcement of Britain's application to the IMF, sterling had stabilised.

Britain was not applying to the IMF to finance any sort of consumer boom, he stressed, to cheers from the Labour benches. "We are going to make use of our credit to finance our programme of investment and industrial regeneration," he added.

"What conditions the IMF will attach to the loan will have to be discussed. What terms they offer will be up to them, but we are going to them in the confidence of shared objectives, of the wish to see Britain paying her way and prospering again."

The task of balancing the whole economy while expansion and regeneration got under way was not an easy one. It was necessary to improve the flow of funds in industry, and the building up of infrastructure, of training, and many other things.

Lord Peart added: "To achieve all of these essentials it needs a balancing act. We can afford to sway but not to fall off the wire. Underneath, there lies unemployment at a still higher level and cuts in living standards.

"There is a real sense in which this is our last chance to get it right. To get it right, the Government must work together with industry and the TUC. This is a joint balancing act. One party disrupting it can bring down the whole."

The social contract was important. It was right for the Government to work with the unions rather than apart from them or against them. A low rate of inflation was a necessity if the economic strategy was to succeed.

Our inflation rate had halved. It no longer stood out like "an international sore thumb."

We had a voluntary incomes policy to be proud of, and the Government was doing its duty of controlling the money supply so that never again would it fuel inflation as had happened before Labour came to office.

The Government had the correct broad strategy. "We must not be panicked into introducing short term measures without considering the long term effects.

Lord Thorneycroft, from the Opposition front bench, commented on the Prime Minister's "brave speech" at Blackpool, in which Mr. Callaghan had said we had been living too long on borrowed time and borrowed money.

Lord Thorneycroft said there was an illusion in some quarters that a country could not go bust and somebody would always bail it out. But if adequate steps were not taken to safeguard the currency, keeping an adequate standard of living in this country would become intolerably difficult.

He warned that there could be rationing and other controls. "It is not that there is a danger of dictatorship if we abandon present policies. There is a real danger of something like it if we keep them." We could not go on borrowing money.

Lord Thorneycroft said he was confident that discussions on a further package of measures were well advanced in the Cabinet. "They must have a package now. They know it. I know it. I know it, and I suspect the International Monetary Fund knows it."

A proposed solution which could be included, was a 10 per cent. all-round cut in public spending. "If you have to live within your means you have to look at subsidies and costly measures such as the Community Land Act, and you really must look at nationalisation."

Lord Thorneycroft said the amount of public borrowing today in the public sector was enormous. Some alternative proposals contained great dangers. One proposal was to try to "opt out" by putting up direct taxation.

"But taxation is too high already. There is not much room for further manoeuvre. What is neded is to bring taxes down.

Felixstowe Bill wording agreed

BY OUR SHIPPING CORRESPONDENT

THE British Transport Docks Board's private Bill to acquire the port of Felixstowe was sent for its House of Lords third reading yesterday.

The Bill was approved by a Lords committee in July but held over while peers decided on the wording of certain assurances on the future of the port which the Docks Board are to give to the Port Users Association and to Trinity College Cambridge, a Felixstowe landowner.

The committee yesterday agreed on the form of words and the Docks Board, which settled a £5.24m. purchase price with the Felixstowe Board last year, said that it regarded the outcome as "satisfactory."

The form of words will be published to-day. But the assurances to be given by the Docks Board include an undertaking not to acquire land by compulsory acquisition, to operate the port in line with the agreement with the Felxstowe company, not to direct existing traffic from Felixstowe to other ports, to promote the port on the basis of opportunity and to continue its operations as a statutory company.

Civil engineers attack direct labour plans

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

GOVERNMENT PLANS to extend the activities of local authority direct labour building departments would have "a devastating effect" on the construction industry and waste public money, the Federation of Civil Engineering Contractors said yesterday.

The Federation, which begins a national campaign against direct labour operations to-day, says the Government proposals will encourage inefficiency and lead to bigger bills for the ratepayer.

The National Federation of Building Trades Employers has been actively campaigning against the spread of direct labour departments, and the civil engineers' action will certainly add strength to the mounting number of objections.

Mr. Reg Freeson, Minister for Housing and Construction, proposes to give direct labour organisations the authority to carry out work beyond the boundaries of their respective councils, and for nationalised industries and private clients. Legislation would empower them to work also for housing associations and new town corporations.

The Federation is also concerned that the legislation could be introduced in advance of the findings of the Department of the Environment's own working party on tendering and accountancy practices in direct labour departments

The situation was "scandalous," Mr. Philip Beck, chairman of the Federation's external affairs committee, said. It demonstrated the Government's "cynical attitude towards consultative procedures."

Mr Beck continued: "The industry's export record is tremendous and our overseas work needs to be based on a sound home market, but this is being put in jeopardy by the Government's foolhardy and irrational plans.

There is no possible justification in terms of competition, efficiency or cost cutting for the proposed action

'Such waste'

"Contrary to the warnings that the party is over regarding town hall staffing, legislation will encourage councils to increase their staff on a massive scale," he said.

Empire building would go beyond the council's own standards and the results would be huge increases in public spending borne out of feather-bedded inefficiency, and in the end the ratepayers would have to foot the bills.

"The Government's own statistics show that output per man employed in direct labour is half that of in the private building sector. The country cannot afford such waste," he added.

The Federation's leaders are to see Mr. Reg Freeson, Minister for Housing and Construction, on Thursday, to make their case.

Two travel schemes for students

THE National Union of Students reacted confidently yesterday to plans by the private-enterprise British Student Association to compete with the NUS-sponsored scheme which offers cut-price services to member-students, including travel, insurance and discount-trading, writes Michael Dixon.

"I seriously doubt whether any other organisation could arrange such a scheme on a similar scale," said Mr. Chris Morgan, national treasurer of the NUS.

To partake in the association's cut-price services, students have to pay an extra fee—probably 50p for those aged 18 or more.

Mixed-economy plan for schools

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

PROPOSALS to restore a mixed-economy sector of schooling — which the Government is gradually abolishing from this year—were disclosed in London yesterday by the Direct Grant Joint Committee, originally formed to represent about 170 semi-independent schools in England and Wales.

Of the 170, 48 Roman Catholic institutions and three others have opted to merge with the State system of comprehensive secondary schooling, rather than lose Government aid for future intakes of pupils.

The remaining three Roman Catholic and 116 others have chosen to become fully independent rather than cease selecting pupils by academic ability.

The proposals indicate that although the 119 schools would prefer, under "a more sympathetic Government," to return to semi-independent status, they do not wish for the simple restoration of the old direct-grant arrangements.

In particular the direct-grant arrangements—under which the schools receive finance directly from central government in return for making at least 25 per cent. of the places available free to pupils sent by local education authorities—enabled children to attend without charge

Real ale group to recruit members

CAMRA, the Campaign for Real Ale, is to launch a recruitment and promotion effort this winter to win more members and to boost the fight for traditional beer.

Dr. Christ Bruton, the chairman, said yesterday that CAMRA had made great strides in the past year but membership had been fairly static.

"Our recent achievements have been considerable," he said. "We have stemmed the tide of indiscriminate takeovers by the big six brewing companies and preserved many independent breweries and their excellent ales that, but for our existence, might well have given up the struggle to survive.

"Traditional draught beer has returned to more than 1,000 pubs throughout the country and countless more have retained decent ales that without CAMRA influence might have disappeared."

But Dr. Bruton warned against complacency. Several breweries had gone out of business or been taken over in the past 15 months and some of the overtures made by the big six brewers towards real ale were merely holding operations designed to keep CAMRA quiet.

Insurance chief condemns nationalisation proposals

BY ERIC SHORT

LABOUR PARTY proposals to nationalise banking and insurance, endorsed by the annual Labour conference which ended on Friday, were condemned last night by Mr. Julius Neave, general manager of Mercantile and General Reinsurance Company, in his presidential address to The Insurance Institute of London.

The country badly needed the contribution of the insurance industry to its dwindling wealth, he said. The industry could therefore, reasonably expect a political outlook that favoured its activities and encouraged and rewarded its skills.

Mr. Neave said he was sure that he spoke for the vast majority of those in insurance in wholeheartedly supporting resistance to "these ill-considered and doctrinaire proposals."

He called for better means of communicating the views of the insurance industry and claimed that, in an era of vociferous minorities willing to use any means to achieve their ends, a silent majority stood no chance.

The London insurance market offered the world an unrivalled service for reinsurance.

That was now the principal growth area of overseas business. Of an estimated £10bn. of reinsurance premium generated each year world-wide, £3.5bn. was placed outside the country of origin. Of that, nearly half — about £1.25bn. was placed in London, £450m. with direct insurance companies, £600m. with Lloyd's and £200m. with specialist reinsurers.

APPOINTMENTS

Sir Campbell Adamson to join Imperial Group

Sir Campbell Adamson has been appointed a non-executive director of IMPERIAL GROUP. Sir Campbell was director-general of the Confederation of British Industry from 1969 until this summer. Previously, he was co-ordinator of industrial advisers to the former Department of Economic Affairs.

★

Mr. Nigel H. W. Kane has been appointed chairman of the Kango Division of the DOBSON PARK GROUP. He also becomes a member of the main Board of Dobson Park Industries. Mr. Nigel Kane was previously chief executive of Kango and succeeds Mr. Terence R. H. Kane who has reached retirement age for Dobson Park main Board directors. The new chief executive of the Kango division is Mr. Maurice A. Spencer who joins the company from Haden Carrier Products where he was managing director.

★

Professor John Michael Ashworth, Head of the Department of Biology at the University of Essex, has been appointed chief scientist in the Central Policy Review staff. He will be on secondment from the University of Essex for two years.

★

Mr. John Freeman, chairman of London Weekend Television, has been appointed chairman of INDEPENDENT TELEVISION NEWS, succeeding Mr. Howard Thomas, chairman of Thames Television. Mr. George A Cooper, managing director of Thames Television and chairman of Independent Television Publications has joined the Board of ITN, while Mr. Brian Tesler, managing director of London Weekend Television, has relinquished his directorship as London Weekend Television's representative.

★

Mr. Roland Jones has been appointed a director of GLIKSTEN EXPORT SALES, a subsidiary of International Timber Corporation.

★

Mr. C. Howell has been made chairman and Mr. R. S. G. Mathias has joined the Board of AUTO-FLOW ENGINEERING, a subsidiary of Dollond and Aitchison Group.

★

Mr. Robert Botcherby has relinquished his post as managing director of BANK OF AMERICA INTERNATIONAL. Mr. Robert W. Frick will be joining the bank from the Measurex Corporation, where he has been chief financial officer, and will take up the position at the Bank of America International as acting managing director. Mr. Charles J. Crickmore remains assistant managing director.

★

Mr. Alex J. McMinn has been appointed managing director of BSP INTERNATIONAL FOUNDATIONS. Mr. A. R. B. Burrows remains as chairman.

★

Mr. P. G. Smith and Mr. R. H. Fuller have been appointed directors of TENNANT TRADING (METALS) arising from the resignations of Mr. I. M. Mills and Mr. R. M. C. Maude. Mr Maude has also resigned his directorships of Tennant Trading and Bassett Smith.

★

Mr. George W. Fyfe of Electra House Investment Trust has been appointed a director of M. W. MARSHAL INVESTMENTS.

★

The NEWS KIOSKS GROUP, associated to the Seymour Press Group, have appointed Mr. Jeff Singleton as managing director. He succeeds Mr. Ted Surtees who has resigned to take up a new interest in the Lake District.

★

WELWYN ELECTRIC has appointed Mr. A. J. Trotter to assistant managing director to deputise for the managing director on all aspects of Welwyn's Bedlington operations. Mr. Trotter was previously operations director at Bedlington.

★

Mr. M. J. Barber, previously a director and electrolytic refinery manager of BICC Metals, has joined the Board of the BROCK METAL COMPANY, a wholly owned subsidiary of the Leigh and Sillavan Group.

★

Mr. Geoff Robinson has taken over as managing director of the PAZO COMPANY. Mr. Ken O'Brien has become head of William Thyne. Both companies are members of the Mardon Packaging Group.

★

Mr. Peter Taylor has been appointed a director of H. CLARKSON (INTERNATIONAL).

★

Mr. John McCrae has been appointed chief executive of MEREDITHS, an International Timber Corporation subsidiary. He succeeds Mr. H. Arnold who will remain on the Board until his retirement next February. Mr. Don Streeton becomes general manager and Mr. John Hodges, field sales manager.

★

Mr. F. Woolford has relinquished the post of managing director of the ENGLISH ASSOCIATION OF AMERICAN BOND AND SHARE HOLDERS but continues as an executive director. Mr. R. M. Cox-Johnson has become managing director.

هكذا من الأصل

Barratt. The big build-up.

The growth of Barratt can be seen in two ways: on the balance sheets – and throughout the country. Over the last five years, profit and turnover growth have consistently risen, in parallel with a vigorous increase in building. In fact, turnover almost doubled from £44m last year to over £81m this year.

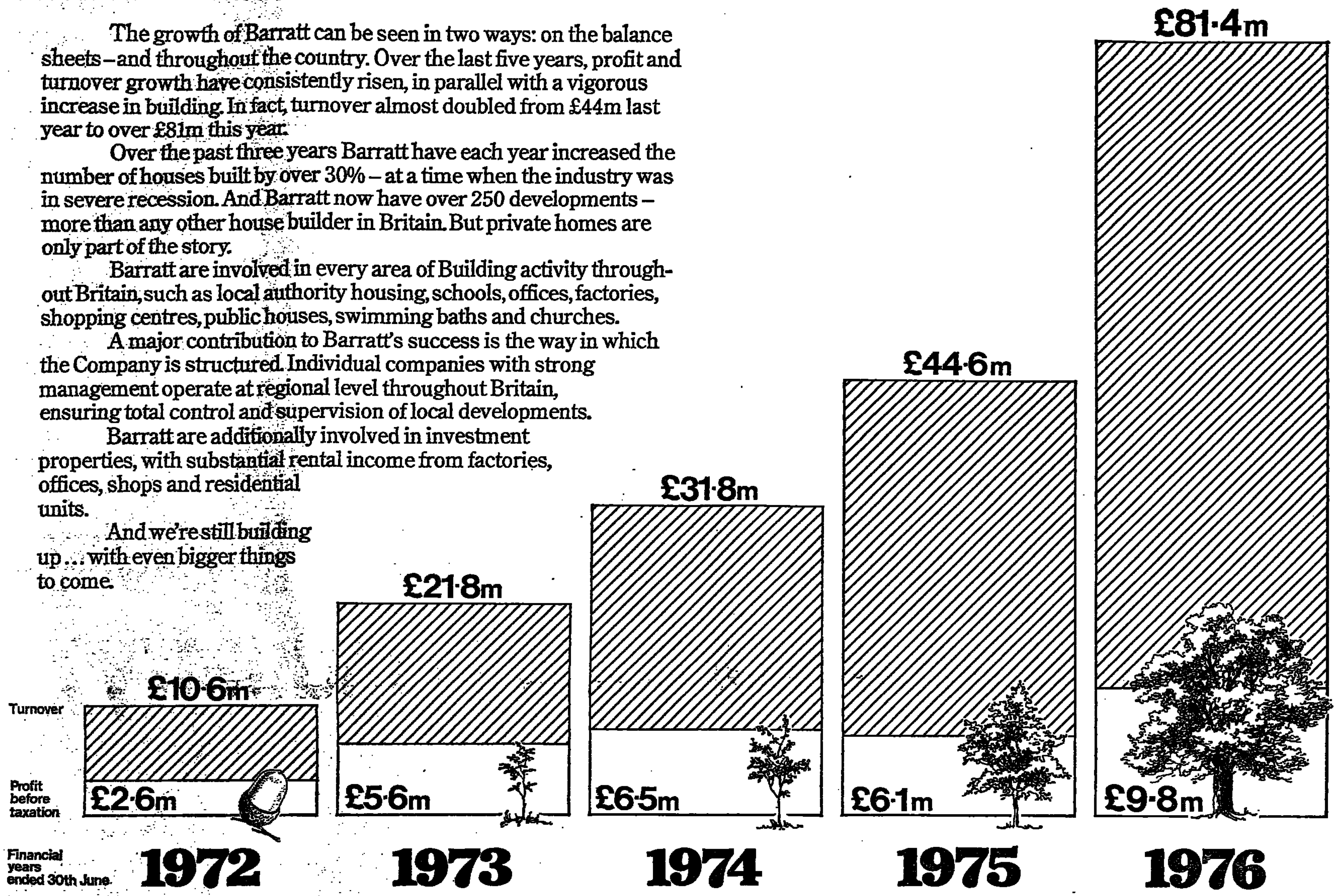
Over the past three years Barratt have each year increased the number of houses built by over 30% – at a time when the industry was in severe recession. And Barratt now have over 250 developments – more than any other house builder in Britain. But private homes are only part of the story.

Barratt are involved in every area of Building activity throughout Britain, such as local authority housing, schools, offices, factories, shopping centres, public houses, swimming baths and churches.

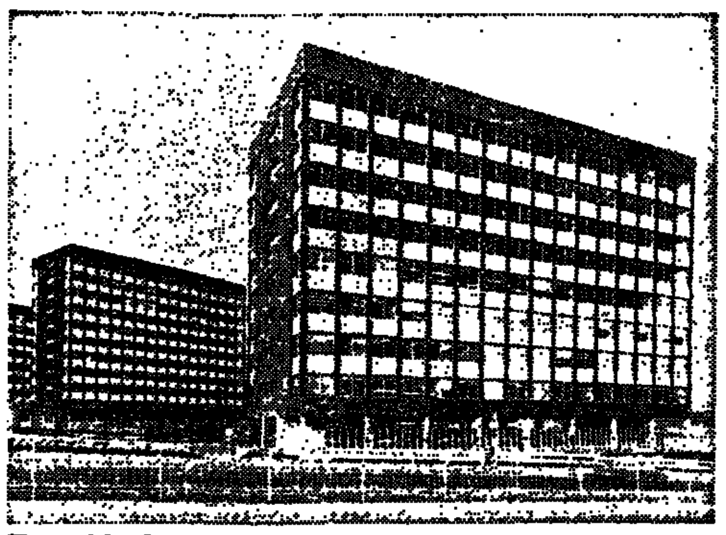
A major contribution to Barratt's success is the way in which the Company is structured. Individual companies with strong management operate at regional level throughout Britain, ensuring total control and supervision of local developments.

Barratt are additionally involved in investment properties, with substantial rental income from factories, offices, shops and residential units.

And we're still building up... with even bigger things to come.




Leeds. Winner of the Homefinder House of the Year Award 1976.


Tyneside. Office development.

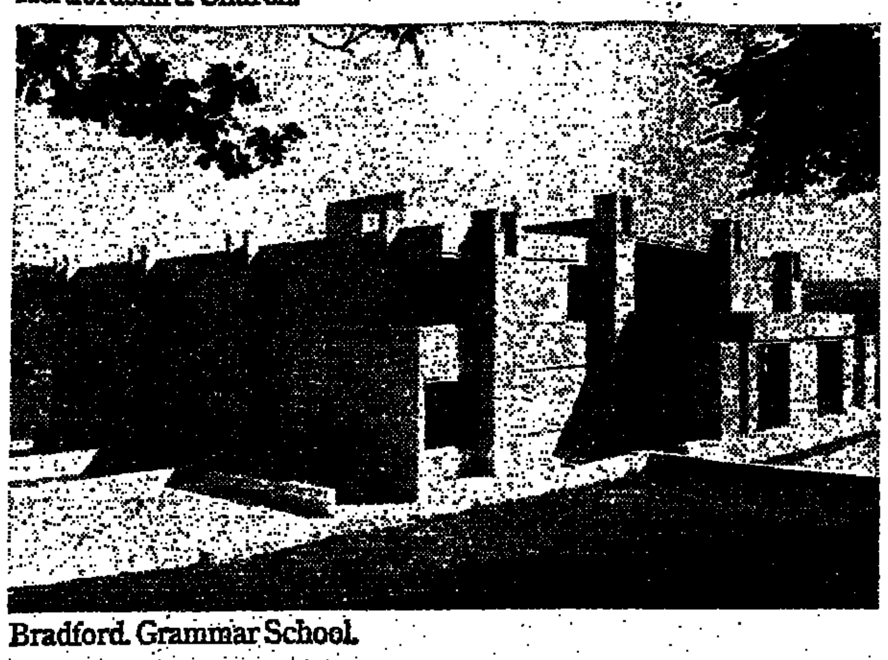

Hertfordshire. Church.

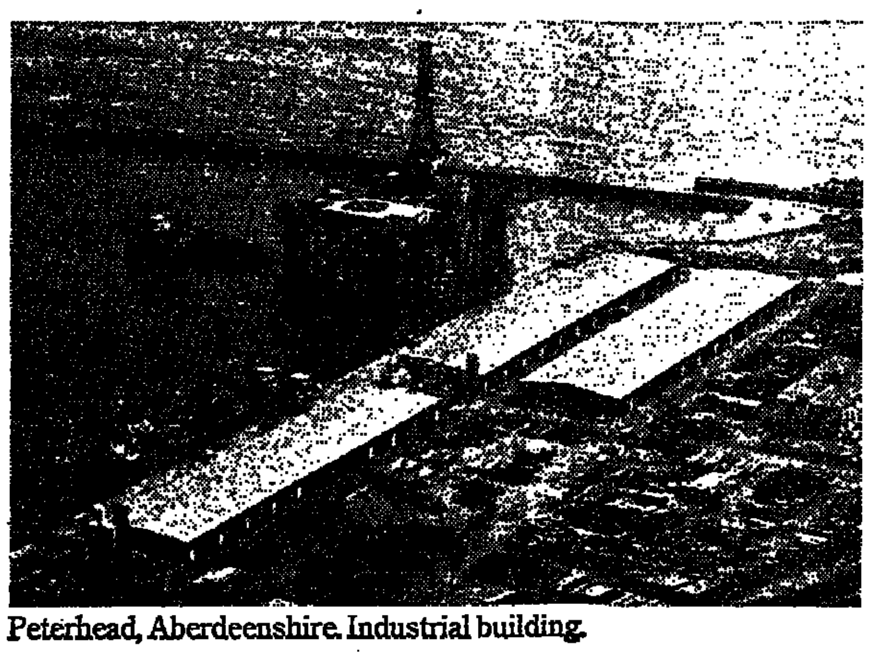
Barratt

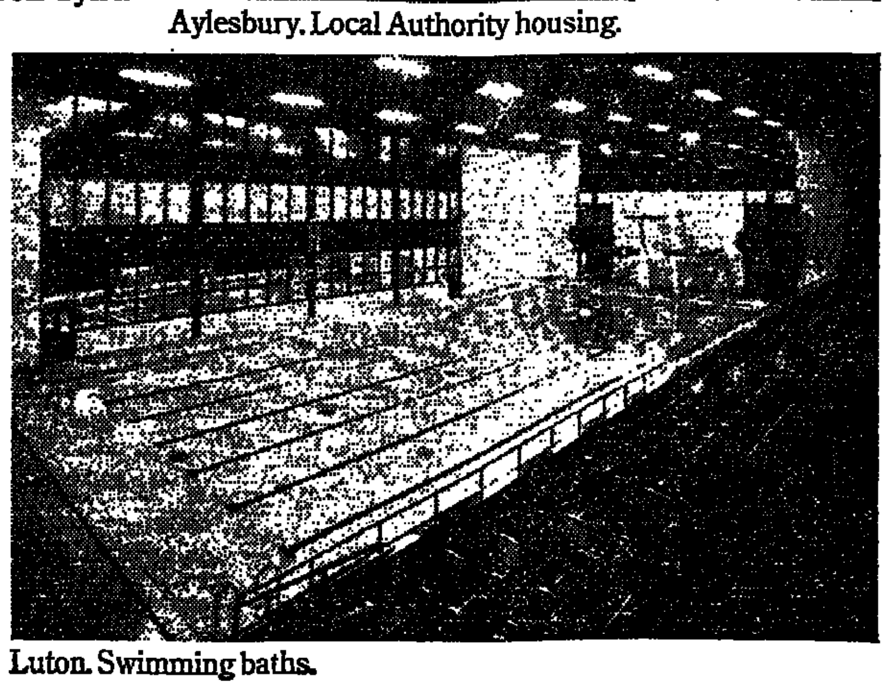
Our interests range far and wide in the building industry throughout Britain

Member group companies established since 1895.
Barratt Developments Ltd, Wingrove House, Ponteland Road, Newcastle-upon-Tyne.


Aylesbury. Local Authority housing.


Bradford. Grammar School.


Peterhead, Aberdeenshire. Industrial building.


Luton. Swimming baths.

A leading 'food bowl' has seen its farm incomes slashed, reports Maurice Irving.

Weather wrecks California crops

BRITONS WHO have been disturbed by the erratic behaviour of their weather this year may take cold comfort from the knowledge that out here in California, and indeed through much of the South-West of the U.S., the climate has been no less capricious. An ill-timed combination of drought, fire and flood has caused damage which will mean losses of several billion dollars in farm income.

In California alone—a vital agricultural state which is one of the nation's major food bowls—gross losses could be as high as \$1.6bn., according to the California Farm Bureau Federation. That is about one-seventh of the state's predicted gross farm income for this year, but elsewhere losses are still higher. In South Dakota, for instance, where the prairies are yellowed by a drought described as the worst in 42 years, farmers say that the state's annual agricultural output will be cut in half, at a loss of \$1bn.

Brush fire in Los Angeles County last July.

Brush fires

The year began badly for Californians with a series of disastrous brush fires. The winter rains failed to materialise, leaving brush tinder dry well into the spring. Fires devastated some 80,000 acres in Los Angeles County alone, causing millions of dollars in property damage in an area of Southern California which stretched from Santa Barbara more than 200 miles southwards to San Clemente, ex-president Nixon's retreat, where 22 homes were destroyed.

Only minimal rain fell in the spring. The resultant lack of new range grass was bad news for the cattlemen, who are now estimating their losses this year at close on \$500m. The price of hay was driven up to \$100 a ton and cattle ranchers were forced to sell livestock at low prices before they became too thin and worthless.

The California Cattlemen's Association says that 1976 is the fourth unprofitable year in a row for its members, and by far the worst of the four. Drought has made credit hard to get, and without that support, some big cattlemen have gone out of business. "We won't know how many exactly until the end of the season," said an Association spokesman. "But an awful lot of them are flat broke."

Then in August and September, when they were least appreciated, the rains came, and in their least useful form: Thunderstorms of Wagnerian magnitude deluged areas of the state, doing too little, too late for the high summer grazing pastures, and all too much to the crops in the valleys. In field after field a bountiful yield was turned into mush.

The tomato canning industry has been particularly badly hit. Losses are estimated at close on 2m. tons. The harvesters ply slowly through the fields, and extra crews have been hired to throw out the tons of mouldy fruit. "It's taken me four times as long as normal to get in a below-average crop this year," said one leading producer.

On top of this mishap came a cannery strike led by the Teamsters' Union. Most of the state's 15 major frozen food plants were also hit, causing the loss of at least one-third of the lima bean crop around the Salinas area, where most of the beans are grown. That strike is still unsettled, after a month.

The California Tomato Growers Association estimates that losses to its members from the combination of strike and bad weather will be in the region of \$100m. Losses to peach growers will be around \$15m.

The ultimate insult of this unhappy season came in September, when the first tropical storm to reach Southern California since 1939 deluged three days of rain on fruit crops, including raisins which only days before had been placed on the drying trays. Hurricane Kathleen, or at least its tail end, brought some of the heaviest rainfall to the fertile San Joaquin Valley since 1898.

Other casualties included the Sacramento Valley's plum crop, the strawberry harvest around Monterey, the fig crop of San Joaquin—60 per cent. of it spoilt by the rains—and the Napa Valley's premium wine-grape harvest, reportedly halved by the drought. "At the very best," said one grower, "the grapes here might bring in \$12m.-\$15m. this year. Two years ago they earned \$35m."

California does not face a water shortage, however. The 700-mile California Aqueduct, completed in 1971 at a cost of \$3bn., has solved many of the south's problems by bringing water from the great dams of the north. It is said to be the only man-made feature on earth, besides the Great Wall of China, that can easily be identified from space. Yet irrigation is costly and not wholly satisfactory: much of the water has a high alkaline content which builds up salt around plant roots. Vines, in particular, object to this treatment and need pure rainwater to disperse the soil's saline content.

Aqueduct

Other Western and mid-Western states have no giant aqueduct to rescue them. The long dry spell so disastrous to South Dakota has also hit Minnesota, Wisconsin, Nebraska and Iowa and many farmers are seeking subsidies from the Federal Disaster Assistance Administration. In South Dakota alone, ranchers have asked for more than \$3m. in aid. Unemployment could rise to 20 per cent. in some rural areas, and banks which lent cash to farmers now near bankruptcy will suffer.

The result of all this will be a rise in consumer prices. Beef is expected to go up next spring. Reduced cannery output will increase prices for canned goods. Strikes and the inclement weather could produce shortages of some frozen vegetables and fruits. And, since agriculture is the state's number one industry, the overall economy of California will be affected.

ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. (01-836 3161) ENGLISH NATIONAL OPERA Tonight 7.30 Dalibor: Tomor. & Fri. 8 Last Perfs. this season of Salome. Thurs & Sat. 7.30 Don Giovanni.

COVENT GARDEN. 240 1066. (Gardencharge-credit card booking, 836 6903). DER RING DES NIBELUNGEN Tonight at 5.30: Die Walkure. Thurs. at 5.50: Siegfried. Sat. at 5.30: Gotterdammerung. 65 Amphitheatre seats for all performances on sale from 10 a.m. on day of performance.

SADLER'S WELLS TH., Rosebery Ave. EC1 837 1672. Evs. 7.30. Mat. Sats. 2.30. THE ROYAL BALLET Ton't & Tomor.: The Four Temperments, Las Hermanas, The Lady and the Fool Thu., Fri. & Sat. Mat.: Concerto, Prodigal Son, Card Game. Sat. Evg. & Mon.: Les Rendezvous, Prodigal Son, Raymonda Act III.

THEATRES

ADELPHI THEATRE. 01-836 7611 Evgs. 7.30. Mats. Thur. 3.0. Sats. 4.0. IRENE "LONDON'S BEST NIGHT OUT. SPECTACLE, CAPTIVATING TUNES AND RACY COMEDY." People. "SLICK, SUMPTUOUS—THE MUSICAL IRENE HAS EVERYTHING." D. Express. IRENE "WILL TAKE LONDON BY STORM." News of the World. NOW BOOKING TO MARCH 1977.

ALBERY. 836 3878. Evenings at 8.0. Mats. Thurs. 3. Sats. 5 and 8.15 sharp. National Theatre production MICHAEL JAYSTON EQUUS by PETER SHAFFER Directed by John Dexter. "STUNNING AND COMPELLING." Std.

ALDWYCH. 836 6404. Inf. 836 5332. ROYAL SHAKESPEARE COMPANY in Arbuzov's OLD WORLD Red. price prevs. Thur., Fri., Sat. 7.30. First Night Oct. 12 (NO PERFS. TNT. TMR.—Box Office 10-6). In repertoire with Bernard Shaw's THE DEVIL'S DISCIPLE and Chekhov's IVANOV.

AMBASSADORS. 836 1171. Evgs. 8.00. Mat. Tues. 2.30. Sat. 5.30, 8.30. HAPPY AS A SANDBAG 2nd year of Delightful Hit Musical. "Wonderful. Don't Miss It." D. Exp. Dinner. Top price seats £6 incl.

APOLLO. 01-437 2663. Evenings 8.00. Mat. Thur. 3.00. Sat. 5.30 and 8.30. Pauline COLLINS, John ALDERTON "ARE BRILLIANT." D. Express in CONFUSIONS "Super Alan Ayckbourn gives audience such a wonderful evening." Sun. Times.

ARTS THEATRE. Mon. to Thurs. at 8.30. Friday and Saturday 7.30 and 9.15. TOM STOPPARD'S DIRTY LINEN "Hilarious . . . see it." Sunday Times.

CAMBRIDGE. 836 6056. Evenings 8.0. Mat. Wed. 3.0. Sat. 5.0 and 8.15. "Mystique of Royalty . . . Spectacle . . . You will get full value." Daily Mail. Peter Wyngarde, Elspeth March. "Nyree Dawn Porter is superb." Mir. ANASTASIA "Romantic." ES. "Fascinating mystery." D. Tel. Four Weeks Only. Prices £1-£3

COMEDY. (930 2578.) Evenings 8.0. Mat. Thur. 3.0. Sat. 5.30 and 8.30 Winner of all the Awards. BEST PLAY OF THE YEAR Michael GAMBON in Simon GRAY'S OTHERWISE ENGAGED Directed by Harold PINTER.

CRITERION. 930 3216. LAST WEEKS. Evgs. 8. Mats. Thurs. 3. Sat. 5.30, 8.30 ALEC McCOWEN MICHAEL BRYANT JUDY PARFITT, ANNETTE CROSBIE in THE FAMILY DANCE by Felicity Browne 'Very funny, perfect entertainment.' S.Tm

DRURY LANE. 01-836 8108 Evenings 8 sharp. Matinees Wed. and Sat. 3.00 A CHORUS LINE "A RARE DEVASTATING JOYOUS ASTONISHING STUNNER." Sun. Times.

DUCHESS. 836 8243. Evenings 8.0 Fri., Sat. 6.15 and 9.0. OH! CALCUTTA! NOW IN ITS 7th YEAR. "Breathtakingly Beautiful." S. Tel. "The Nudity is Stunning." D. Tel. BOOKING THROUGH SPRING 1977

DUKE OF YORK'S. 01-836 5122. Evenings 8.00. Wed., Sat. 6.00 and 8.45. TERRY SCOTT JUNE WHITFIELD A BEDFULL OF FOREIGNERS "GENUINELY HILARIOUS." Gdn.

FORTUNE. 836 2238. Mon.-Fri. at 8. Sat. 5 and 8. Thur. 3. Avril ANGERS, Derek BOND in AGATHA CHRISTIE'S MURDER AT THE VICARAGE 2nd GREAT YEAR

GARRICK THEATRE. 01-836 4601. Evenings 8.0. Fri., Sat. 6.0 and 8.40 RICHARD BECKINSALE is "side-splittingly funny." Daily Mail. in FUNNY PECULIAR "Mike Stott's exceptionally fine, vastly entertaining brilliant comedy." S. Times. "More good laughs than any other play in London." Observer.

GLOBE. 01-437 1592. Evening 8.15. Mat. Wed. 3.00. Sat. 6.00 and 8.40. PETER BARKWORTH, PETER JEFFRY and PENELOPE KEITH "the funniest woman in the West End." Guardian. DONKEY'S YEARS "MICHAEL FRAYN'S delightful comedy." Evening Standard. "Two hours of bubbling laughter." Daily Mirror.

GREENWICH. Crooms Hill, S.E.10. 858 7755. Prev. Wed. 7.30. Opens Thur. 7.0. Subs Evs. 7.30. Mat. Sat. 2.30. SCRIBES by Barrie Keeffe.

HAYMARKET. 930 9832. Previews: Evenings 7.45. Mat. Wed. 2.30. Sat. 5.0 & 8.15. Opens Wed. Oct. 13 at 7.0. Subs. Evenings 7.45. Sat. 5.0, 8.15. Googie WITHERS, Susan HAMPSHIRE, John McCALLUM, Clive FRANCIS, Martin JARVIS and Bill FRASER in The Chichester Festival Theatre's Production of Somerset Maugham's THE CIRCLE

HER MAJESTY'S. 930 6606. Evgs. at 8. Fridays and Saturdays 5.45 and 8.30. IPI TOMBI "PULSATING MUSICAL." Evg. News. Seats £3 to 50p.

KING'S ROAD THEATRE. 352 7488. Mon. to Thur. 9. Sat. 7.30, 9.30. THE ROCKY HORROR SHOW BEST MUSICAL OF THE YEAR "Impossible to overpraise." Punch. NOW IN ITS 4th ROCKING YEAR.

LYRIC. 01-437 3686. Evenings 8.00. Mat. Wed. 3.0. Sat. 5 and 8.30. SHEILA HANCOCK, JOHN MOFFATT in THE BED BEFORE YESTERDAY A Comedy by BEN TRAVERS. "STILL THE FUNNIEST COMEDY IN LONDON." Daily Mail.

LYTTELTON (new National Theatre). 928 2252. Ton't 7.45. Tomor. 2.30 & 7.45 JUMPERS by Tom Stoppard. Thu. & Mon. 7.45. Sat. 3.00. Blithe Spirit. Fri. 7.45. Sat. 2.30 Weapons of Happiness. Over 100 excellent £1 seats on sale day of performance from 8.30 a.m.

MAYFAIR. 629 3036. 439 2031 Evgs. 8.15. Fri., Sat. 6.0 and 8.45. ANNA RUSSELL "She really is the crowned clown queen of musical satire." D. Mail. "Last night's audience hysterical with laughter." F.T. Seats from £1.10. Dinner/Show £6.60.

MERMAID. 248 7656. Food 248 2835. Evenings 8.0. Mat. Sat. 5.0. FOR KING AND COUNTRY by John Wilson. "A riveting production . . . as splendid a play as 'Journey's End.'" Daily Express "Compulsive . . . Paul Copley is simply superb." Daily Telegraph. Restaurants open noon and 6.30.

NATIONAL THEATRE See under OLIVIER AND LYTTELTON.

NEW LONDON. Drury Lane. 405 0072. London's new saucy comedy—SO WHO NEEDS MEN! First night Thurs., Oct. 7. 7.0. Reduced price preview tonight and to-mor. at 8.00.

OLD VIC. 01-928 7616. Prevs. Wed. Thur., Fri. 7.30. Sat. 3.00 and 7.30. Opens Mon. Oct. 11 at 7.0. Subs. 7.30. Mat. Sat. 3.0. LEONARD ROSSITER, JOHN STRIDE, DILYS LAYE, JOHN PHILLIPS in PETER BARNES' FRONTIERS OF FARCE by FEYDEAU & WEDEKIND

OLIVIER (new National Theatre) 928 2252. Ton't. Tomor 7.30. Thurs. at 7 PLAYBOY OF THE WESTERN WORLD by J. M. Synge Sat. & Mon. next at 6 sharp Tamburlaine the Great OVER 130 EXCELLENT £1 SEATS ON SALE DAY OF PERFORMANCE FROM 8.30 a.m. BOOK NOW.

PALACE. 01-437 6834. Mon.-Thur. 8.00. Fri., Sat. 6.00, 8.40. JESUS CHRIST SUPERSTAR

PALLADIUM 01-437 7373 Opens Mon. Oct. 11 for 1 week. Mon 7.30. Tues. to Sun. (ex. Thur.) at 8.0 BRUCE FORSYTH In his own "one man" laughter show

PICCADILLY 437 4506. Mon. to Fri. 8.0. Saturday 5.30 and 8.30. Jerome Kern's hit musical VERY GOOD EDDIE! "LOVELY to look at. DELIGHTFUL to hear and HEAVEN to watch." D. Express. "Absolutely enchanting. I really loved it." N.Y. Times OVER 200 PERFS.

PHOENIX THEATRE. 01-836 8611. Evgs. 8.15. Fri., Sat. 5.45 and 8.45. CARTE BLANCHE "REAL POWER TO STIR SEXUAL EXCITEMENT." Times. "AN EROTIC FAIRY-TALE." Sun.

PRINCE OF WALES. 01-930 8681. Evenings 8.00. Fri., Sat. 6.0 and 8.45. MICHAEL CRAWFORD FRANCES CUKA in SAME TIME NEXT YEAR "SIMPLY GREAT." Daily Mail "TRIUMPH FOR CRAWFORD." D. Exp.

QUEEN'S. 01-734 1166. Opens Wed 7.0. Subs Evgs. 8. Sat. 5.0 and 8.30. ALEC GUINNESS, NICOLA PAGETT MARK KINGSTON, ANGELA THORNE in YAHOO An entertainment based on the life of Jonathan Swift. Box Office open.

THEATRES

RAYMOND REVUEBAR THEATRE. [illegible] 1593. AT 7, 9, 11 p.m. (Open S[illegible]) PAUL RAYMOND presents THE FESTIVAL OF EROTICA '76 FULLY AIR CONDITIONED—You may drink and smoke in the Auditorium

REGENT. 323 2707. Evenings [illegible] Friday and Saturday 7.0 and 9.15 THIRD ECSTATIC YEAR New Cast! New Excitement! LET MY PEOPLE COME AN ADULT MUSICAL "Never a dull moment." Evening N[illegible] 100 tickets held for sale at door.

ROUNDHOUSE. 267 2564. Oct. 14 to [illegible] TRADITIONAL JAPANESE DRUMMI[NG] THEATRE AND DANCE ONDEKO-ZA "Unusual and exhilarating." Times

ROUNDHOUSE DOWNSTAIRS. 267 2[illegible] One Woman play THREE FLAMES Ann Noble. 8 p.m. until 16 Oct[illegible]

ROYAL COURT. 730 1745. Evenings [illegible] Saturdays 5.00 and 8.30 MOTHER'S DAY A comedy by DAVID STOREY See also THEATRE UPSTAIRS

ST. GEORGE'S. 01-609 [illegible] 49 Tufnell Park Road, Islington. (Tufnell Park Tube) All unsold seats after 7.20 p.m. £1.00 for OAPS and students Mon., Tues. 7.30. Wed. 2.30 and [illegible] PETER McENERY, SARAH BADEL ROMEO AND JULIET Thur., Fri. 7.30. Sat. 2.30 and 7.3[0] ALAN BADEL in RICHARD III SEASON CLOSES OCTOBER 16 THEATRE RE-OPENS MARCH 1.

SAVOY. 836 8888. Evenings at [illegible] Sat. 3.00 and 8.00. Matinees Wed. [illegible] ROBERT MORLEY, GEORGE COL[E] in BEN TRAVERS' BANANA RIDGE "HILARIOUS SUCCESS." D. Tel.

ST. MARTIN'S. 846 1443. Evenings [illegible] Mats. Tues. at 2.45 and 5.0 and [illegible] AGATHA CHRISTIE'S THE MOUSETRAP World's longest-ever run. 24th Y[ear]

SHAW. 01-388 1394. Opens tonight Subs Evgs. 7.30. ROMEO AND JULIET

STRAND. 01-836 2660. Evenings [illegible] Mats. Thurs. 3.00. Sat. 5.30 and [illegible] Doris Hare McDonald Hobley Arthur Howard, Barry McGinn NO SEX PLEASE— WE'RE BRITISH Directed by Allan Davis SIX HYSTERICAL YEARS

TALK OF THE TOWN. 01-734 5[illegible] FULLY AIR CONDITIONED From 8.15. Dining Dancing. At 9[illegible] Revue SWEET TEMPTATION and at 11 p.m. JULIE ROGERS.

TH. UPSTAIRS. 730 2554. Evgs. 7[illegible] JOINT STOCK in LIGHT SHINING BUCKINGHAMSHIRE by Caryl Chur[chill]

VAUDEVILLE. 01-836 9988. Evgs. [illegible] Mats. Tues. 2.45. Sat. 5.00 and [illegible] GERALD HARPER HANNAH GORDON UNA STUBBS, PRUNELLA GEE in BAGGAGE "WITTY AND VERY FUNNY." E. N[ews] LAST 2 WEEKS

VICTORIA PALACE. 01-834 1[illegible] Opens Nov. 10. A Lavish Re[vue] CILLA AT THE PALACE with her friend JIMMY TARBUCK

WHITEHALL. 930 6692-7765. Evgs. [illegible] Sats. 6 and 8.45. Mats. Wed. [illegible] BRIAN RIX "MARVELLOUSLY COMIC." E. N[ews] Terence ALEXANDER Jane DOWN[S] FRINGE BENEFITS Supper and Top-price seats £5.30

WINDMILL THEATRE. 437 6[illegible] Twice Nightly at 8.0 and 10.0 PAUL RAYMOND presents RIP OFF THE EROTIC EXPERIENCE OF THE MODERN ERA An entire French production You may drink and smoke in the Auditorium. "Takes to unprecedented limits what is permissible on our stage." Evening N[ews]

WYNDHAM'S. 836 3028. Evgs. M[illegible] Fri. 8. Sats. 5.15 & 8.30. Millicent Martin, Julia McKenzie, David Kiernan, Ned Sherrin in SIDE BY SIDE BY SONDHEIM "If you are planning to spend [an] evening in the musical theatre this y[ear] I urgently suggest you make it Side by Side by Sondheim . . . if you are plan[ning] to spend two GO TWICE." Pun[ch] "GO THREE TIMES." Clive Barnes N[.Y.] Times

YOUNG VIC (by Old Vic) 928 6[illegible] YOUNG VIC COMPANY RETURNS [illegible] MAN FOR ALL SEASONS (Thurs. [illegible] Sat. 7.45) and ANTONY & CLEOPAT[RA] (Oct. 12, 13, 14, 15 at 7.45. O[illegible] at 7). All seats 80p.

THE ENTERTAINMENT GUIDE IS CONTINUED ON PAGE 3[illegible]

The Management Page

EDITED BY JOHN ELLIOTT

MEXICO STEELWORKS

BSC success in Latin America

"Most were excellent, some were outstanding, none was less than good" runs the verdict on British Steel Corporation staff responsible for a £5m. steelworks building contract in Mexico. HUGH O'SHAUGHNESSY reports on how the work was carried out and on the experience which the BSC gained from the project.

[WAS not so much a green d site, rather a 'coconut ve," said Mr. Michael wards, head of BSC International, the arm of the British el Corporation charged with rseas operations. He was nking back four years to en his organisation first ame involved in a plan wn up by the Mexican Government to build a steelworks Ciudad Lazaro-Cardenas, a t on the Pacific coast a few adred kilometres north of apulco where not only had industry been seen before where the scanty population had scarcely engaged in thing more taxing than colling coconuts.

The Mexican state company artsa signed a £5m. contract h the Corporation to give ice on the construction and nmissioning of an integrated at which would take in iron from a site 20 km. away deliver at the other end n. tons a year of finished l in sections and coils. The nt suppliers included British, man, Italian and Japanese npanies, fulfilling contracts th many hundred million lars.

No trained manpower

he difficulties of building the nt at the mouth of the Balsas er in the State of Michoacan ere there was no infrastructure and no trained manpower any sort were immense. But as the Mexicans, and their British advisers scramble to put the finishing touches to the plant ready for its inauguration on October 8 by President Luis Acheverria, as one of his last acts in office, the knowledge that the management difficulties have at last been overcome seems to have cemented a strong bond of confidence between the British and Mexican engineers.

Sr Federico Reims, the Sicartsa chief on the site, was unstinting in his praise of the BSC personnel. "Most were excellent, some were outstanding, none was less than good," he remarked to me in his office overlooking the brand new rolling mill. "Of course, we've had our battles with BSC—big battles. But that was because they took the thing to heart. They worked with as much enthusiasm as the majority of Mexicans. If I had a chance of choosing them again in the future I'd have no hesitation."

After a short period the Mexicans and the British were able to work as one team. As far as the training of Mexicans at BSC plants in Britain is concerned, it could not have been bettered anywhere in the world.

Lest it seem that Sr Reims is an incurable Anglophile it must be added that he has some extremely hard things to say about two leading British plant contractors — both household names in the industry—one of whom was six months late in the delivery of a major item. "I felt they abused our confidence," he remarked angrily. "It was the same with a lot of the foreigners who came here. They thought they were coming to the land of manana. When we asked them to put in extra hours many of them said 'I'm a 40-hour-a-week man.' As far as I was concerned it was they who had come from the land of manana."

The success of the Sicartsa operation means a lot to BSC. Edwards and his colleagues in BSC's London headquarters say that the Mexican experience has helped them to gain new advisory projects as far away as Saudi Arabia, and they are confident that it will bring even more work.

No less important, however, is the fact that work like that at Sicartsa is invaluable practice for their own engineers, particularly in times when big plant construction jobs are scarce within BSC in Britain. Ian Mathieson, Ian Hamilton and Jack Dunsmoir, the three senior BSC men who have all spent nearly four years on the site, agree on the educative effect that working on the Sicartsa project has had on BSC managers and engineers. There are currently about 70 BSC personnel on the site and in the Mexico City offices but over the period about 200 BSC men have passed through "With the new managerial responsibilities they took on you could see them growing in stature day by day," Hamilton remarked.

BSC invested no little effort in selecting the right personnel for the job. Of the 200 staff who passed through Sicartsa only three found the pioneering atmosphere too much and had to be sent home. "I don't know if there's any moral to be drawn but they were all Englishmen," the Glaswegian Hamilton remarked.

He and his wife have made the best of the limited facilities of Ciudad Lazaro Cardenas. The lack of local entertainment has been made up for by a regular supply of British books, endless opportunities for photography and weekends on the beaches of the neighbouring resorts of Zihuatanejo and Acapulco. The Hamiltons have taken two holidays cruising on cargo liners from San Francisco to Hong Kong. And domestic help is a lot easier to get than in Glasgow. For British children up to the age of 12 there is a British school staffed by a husband and wife team which follows a British curriculum.

The BSC team also acknowledges that the flow of information has been two-way. "We certainly picked things up from the Mexicans," Mathieson says. "For instance, they have a much less formal approach to planning than we do, yet things do get done and to time. Sicartsa is comparable to the Anchor Works at Scunthorpe and it has been put up slightly faster, despite the lack of amenities here."

Government procedures

Mathieson is philosophic about advantages and disadvantages of being in harness with a State concern. "On the one hand we have had to go through procedures which have necessarily been slower than they might have been. But this has been more than balanced by the co-operation we have had from Government departments so that the plant is ready to be opened by President Echeverria in his last week in office."

As the first phase of Sicartsa comes into operation BSC will continue to advise the Mexicans and help with the training of the foremen and technical staff in the operation of the plant for the coming 12 months. And it is agreed that the British stay on to help with the erection of the second stage which will eventually be twice as big as the first and will make flat products.

The art of spotting the manager of to-morrow

BY SUE CAMERON

A MANAGER should always be judged on his current performance and not on his past record, his personality, or his opinions, according to a book published this week by the Institute of Personnel Management.

The book, called Tomorrow's Men Today, explains how successful managers can be spotted so that they can then be given the right training, development and promotion. It has been written by Valerie and Andrew Stewart, a husband and wife team of industrial psychologists, who claim that many selection techniques and assessment programmes are inadequate because organisations have only a hazy idea of the factors that make for management effectiveness.

The book says a company should look at a manager's day to day actions in order to identify his potential correctly. It ought to see if he delegates responsibility, if he gives his staff credit for good work or takes all the glory himself, and if he deals promptly with paperwork or goes out of his way to avoid it.

"Management effectiveness has to be defined in terms of what managers do. Not their attitudes, personalities, expressed concerns, histories or their ambitions: it's their behaviour which differentiates the effective from the ineffective."

The authors point out the pitfalls of promoting people because of good performance in the past. They say previous records give no indication of how well a manager will do when he is given greater responsibility and they suggest that "blind adherence to the track record is one of the organisational predispositions for becoming victim to the Peter Principle, where every employee is promoted to his level of incompetence."

The book also says that there is no point in asking if a manager is a good decision maker or if he is ambitious for these terms are far too vague. The only way to find out about someone's ability to make decisions is to look at the decisions he has actually taken and his way of approaching them.

They also stress that management effectiveness varies from one company to another and from one level to another. It is therefore impossible to give a hard and fast description of the kind of behaviour which denotes a successful manager.

But the book adds that most effective managers approach their jobs in a similar way. "In most of the firms we have looked at the effective manager has a habit of giving his people the credit for good work, protecting them in public, and delegating to them the challenging rather than the donkey work: he will have one or more of his subordinates ready to take his place and he will be able to exercise the helicopter effect, viewing his information and his decisions from the point of view of their effect on the company and its range of business and its long term plans."

The book includes a list of exercises that can be used to identify management potential, such as what is called an in-basket exercise to indicate how well people work under pressure. Those being assessed are asked to pretend that they have just taken on a new job and they are given a full in-tray to work through. Trained observers note what decisions each person takes, how quickly he works and how good he is at recognising when immediate action is necessary and when work can be delegated or passed to another department.

The authors emphasise the importance of ensuring that the right person is promoted to the right post. "Except for a building, an employee is probably the most expensive long-term investment a company makes. Employees must therefore be planned for on the same scale and audited with the same attention to detail and when they are misused the company should be concerned to remedy the situation speedily—perhaps more speedily in the case of misused people because people have memories and buildings do not."

Tomorrow's Men Today. By Andrew Stewart and Valerie Stewart. Institute of Personnel Management, Central House, Upper Woburn Place, London WC1H OHX: £5.95

A cheaper company report

DEMANDS UPON publicly-quoted companies to disclose an ever increasing amount of information on their activities in their annual reports and accounts has inevitably led to production costs rising rapidly.

However, shareholders in the BET Group, whose interests range from engineering and transport, together with controlling shareholdings in Rediffusion Television, will have found that the company has taken steps to reduce such expenses with the 1975-76 accounts.

Lightweight types of paper have been chosen for the pages containing text as well as for the cover and for coloured illustrations of the group's activities. In addition, smaller type sizes have been used in some sections of the accounts, with the result that the publication covers 40 pages compared with the 48 pages of the 1974-75 accounts.

These steps have considerably reduced the weight, and thus postage costs, although even greater savings were achieved by inserting the reports in plastic bags rather than in manilla or white cartridge envelopes.

An explanation of the steps taken is given in the latest report, which says that the economies have enabled the cost of paper and postage to be reduced from an estimated £23,000 to £14,000. The report and accounts go out to 55,000 shareholders in the company.

Although a given quantity of the lightweight paper costs almost half as much as the heavier variety previously used, it appears that the printing process takes a little longer and is thus marginally more expensive.

Business school for women

SUE CAMERON

PROBLEMS facing women want to break into the business world for the first time be immense but the Fellows Lucy Cavendish College, Cambridge, insist that they are from insuperable. And they hoping that some of their sent students will eventually vide a steady supply of ly qualified managers for ustry.

ucy Cavendish, which is part Cambridge university, is a nen's college which accepts dents only over the age of and was founded in 1965 h initial capital of £3,000 despite the serious cash rtage Lucy Cavendish was able to open its doors to undergraduates four years ago and last month it bought its own premises.

The aim of the college is to equip older women for professional life—especially those who missed the opportunity to go to university at the age of 18. Dr. Kate Bertram, president of Lucy Cavendish, says many able women have had their career horizons limited by the advice given them at school and by the range of subjects offered.

For married students at the college have either finished bringing up their families or else their children are old enough to care for themselves. This means that most graduates have 20 to 30 years of uninterrupted working life ahead of them. They are highly motivated and the difficulties they have had to overcome to obtain a degree tend to give them a new self-confidence. Most have had to take A-level exams to gain a place—entry standards are as high at Lucy Cavendish as at any other Cambridge college—and many have had financial problems because grants are hard to come by after the age of 27.

Dr. Bertram says that Lucy Cavendish graduates who became managers would be able to "exert a humanising and stabilising influence on the work environment" because of their personal maturity. But she adds that one of the biggest difficulties her students encounter when they go for jobs is the narrow attitude some employers take towards an applicant's previous experience.

A former secretary who did her first degree at Lucy Cavendish and then tried to get a management post found it extraordinarily difficult—in the end she accepted a job with the Equal Opportunities Commission. But one graduate has gone back to manage her family's printing works and another, a former beautician, is now working in the oil industry. At present, however, it is too early for any clear career patterns or preferences to emerge.

Funds

Dr. Bertram reports that industry is showing considerable interest in the work of Lucy Cavendish. The college has just launched an appeal to business concerns for funds. About one in four of the companies so far approached have agreed to make a donation and a much higher proportion has said they might be able to help at a later date.

Business Books list

Finance of International Trade. by Alasdair Watson. Institute of Bankers. 10, Lombard Street, London EC3V 9AS. £4.50. This has been compiled for the use of bankers, exporters and students, as an up-to-date reference work with a collection of specimen documents commonly used in foreign business.

Quantitative Methods for Business Decisions, by Lawrance Lapin. Harcourt Brace Jovanovich, 24-28 Oval Road, London NW1. £9.15. The author's goal is to provide a guide to basic management-science methods highlighting the pitfalls associated with some mathematical models.

The Regulation of Takeovers and Mergers, by P. L. Davies MA (Oxon). Sweet and Maxwell, 11, New Fetter Lane, London. £1.25. One of the Modern Legal Studies series, this paperback looks at the problems of company law and policy which emerge when applied to mergers and takeovers.

Jane's Major Companies of Europe 1976, edited by Jonathan Love. Jane's Yearbooks, Paulton House, 8, Shepherdess Walk, London N1 7LW. £30. A thousand companies are analysed in detail and 1,500 in summary form reflecting changes in the economies of 16 countries during a period of world inflation.

Financial Decisions, by Roger Davies. Longman Group, Longman House, Burnt Mill, Harlow, Essex CM20 2JE. £1.95. The first in a series called "Understanding Business," edited by Richard Barker, mainly for students.

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TUESDAY, OCTOBER 5, 1976

A majority of eight

CHANCELLOR SCHMIDT'S coalition of Social and Free Democrats has won the West German elections with a majority of eight seats—down from the majority of 46 achieved in 1972 and down even from the majority of 12 which led to the formation of the first such coalition under Herr Willy Brandt in 1969. That majority of 12 was not enough: sufficient of the Free Democrats subsequently crossed the floor to bring about a parliamentary stalemate and ultimately premature general elections. With the majority now down to single figures, inevitably the question arises: will the same thing happen again?

Strains

The tentative answer is quite possibly yes, but probably not for a while, and perhaps in a quite different form. The circumstances in and immediately following 1969 are in many ways not comparable. It was the first time the Social Democrats had led a federal Government and the first time the free Democrats had been in coalition with them at the federal level. Many of the Free Democrats did not like the switch. It was also the most active period of the Ostpolitik, which in turn brought doubts and defections.

Today the situation is different. The Free Democrats have shed their more Right wing supporters. They have established that they can exercise an effective brake on a Social Democrat-led government, providing — as one of their slogans once went — "social reform without socialism." The *Ostpolitik* is no longer such a source of friction. Above all, the party fought the latest campaign on a platform of continuing the existing coalition. It does not want to give the impression of changing sides with the political weather.

For all those reasons the coalition looks safe — at least for a time. And yet the fact remains that in Sunday's elections neither party did particularly well. The Social Democrats saw their share of the vote decline by over three percentage points. The Free Democrats, who had hoped and even expected to pick up votes from their coalition partner, also fell back. The gainers were the opposition Christian Democrats whose 48.6 per cent. of the votes was their second best performance ever and restores them to their pre-1972 position of the largest party in the *Bundestag*. It is worth noting, if only for the record, that a Christian-Free Democrat coalition would have a parliamentary majority of 70.

Two other factors stand out. The first is that federal politics in West Germany cannot be separated from what happens in the *Laender*. There are several cases at the *Laender* level where coalitions of Social and Free Democrats have been at least under strain. If this trend continues, a switch of alliances cannot be ruled out and that in turn could hardly fail to have an effect on the political alignment in Bonn. The second factor is that Herr Schmidt may now be in trouble with his own party. In his period of office so far he has effectively muzzled his Left-wing, but it is doubtful whether the Left will maintain its silence now that the country has been plainly seen to have swung to the Right without the Left-wing case being put. And if the Left becomes more vocal, that will inevitably mean more strains within the coalition

Disappointing

The result is that German politics are likely to become more introverted. After his period of consolidation, Herr Schmidt has won no leeway for new initiatives. Like other European leaders, he will have to spend much of his time looking over his shoulder at the domestic political scene—wondering what his own Left wing and his coalition partner will bear and when the moment of incompatibility will arrive. From the outsider's point of view, that is the most disappointing thing of all. There are very few governments in Europe capable of launching initiatives and with the resources to carry them through. Herr Schmidt's or even Herr Kohl's, had the election gone the other way, might have been one of them, but not with a majority of eight.

Time to tell it like it is

AS RECENTLY AS a week ago last Sunday, Mr. Healey said he had not made up his mind whether to go to the IMF and added that there had been no drawings since June on the Central Bank standby. He must have known that both an application to the IMF and a further drawing on the standby were highly probable and likely to occur very soon. Sometimes the best advice on presentation is to "tell it like it is."

Reserves

A little of the background to last week's sterling crisis is inadvertently revealed by the September reserve figures. On the surface they show a rise of $129m. But if officially disclosed public sector borrowing on the Eurodollar market is taken into account the true loss is just over $200m. Over the past three months the combined change in reserves and public sector overseas borrowing amount to a debit of $1bn. In addition, the Government had recourse at the very end of September to about $0.5bn. from the Central Bank standby, thus giving a total loss of $1.5bn. in one quarter. But even that does not indicate the full extent which happened. For early in September the authorities stopped supporting the sterling exchange rate, which from then on took the pressure. The non-intervention policy was again reversed last week, but too late for the results to show in the September reserve figures.

Until the September trade figures are published the different sources of pressure on the reserves cannot be properly broken down. But the adverse movement was almost certainly far larger than can be accounted for by the current trade deficit alone. The most important single factor seems to have been the withdrawal of funds from London of sterling balance holders, especially among the oil producers. The latter reduced their balances by over $1bn. in the second quarter and clearly continued to run them down in the third. These movements could well have been aggravated by adverse leads and lags in payments for exports and imports.

But if one thing is clear it is that the pound was not the victim of a speculative raid. The real trouble was that there was not enough favourable speculation to put a brake on the pound above the $1.60-$1.70 range when it started its free fall.

Management

The story has not been a happy one. There is something to be said for a freely floating exchange rate. This does not mean a zero payments deficit, as a known and predetermined amount of borrowed dollars can be fed into the foreign exchange market if the Government so desires. There is also something to be said for a managed floating rate. But there is little to be said for the alteration of management and *laisez faire* which we have had since the famous day at the beginning of March when the Bank of England was seen to sell sterling in the market. Careful management might indeed involve periods of activity and periods of withdrawal. But the successive U-turns have reflected little more than the temporary victory of one faction or another in the internal arguments going on among policymakers, with no clear and confident lead from the top.

A similar lack of leadership can be seen in the refusal to tackle the threat to stability posed by the overhang of the sterling balances. The subject has been discussed endlessly over the last 15 years: it figures prominently in the Common Market negotiations; and was given a new lease of life by the inflow of funds from the oil producers. Yet once again it has taken a sterling crisis to stimulate action.

It would be a great mistake to assume that the problem of the balances is just a technical one. It has arisen because of the deliberate decision of our rulers to borrow up to the hilt from overseas rather than face the once-for-all reduction in living standards made necessary by the 1973-4 oil and commodity price explosion. Not all problems can be solved by borrowing or refinancing.

Dr. Sigvard Eklund, director-general of the International Atomic Energy Agency, and some of the advanced instruments his inspectors use to ensure that nuclear materials are not divert[ed] to weapons. They include (from left) a robot 35mm camera for surveillance of spent fuel ponds, a neutron flux monitor for reactors, and a monitor for plutonium in spent nuclear fu[el]

The politics of plutonium

By DAVID FISHLOCK, Science Editor

THE NEWS that President Ford is contemplating a moratorium on the re-processing of nuclear fuel — and the separation of its plutonium by product — shows that he, as well as Mr. Jimmy Carter, his *opponent, in the presidential* election, is taking seriously the United Nation's concern over the problem of the proliferation of nuclear weapons.

"The proliferation problem is very serious and it will not go away by refusing to acknowledge it." was the view expressed in Nuclear Power and the Environment, published by the Royal Commission on Environmental Pollution. "But how can they talk of 'refusing to acknowledge' the problem of proliferation of nuclear weapons when for the past couple of years we have talked about almost nothing else," complained a senior U.K. civil servant rather bitterly when the report first appeared. It coincided with last week's annual conference in Rio de Janeiro of the 110 member-States of the International Atomic Energy Agency, the IAEA — the United Nations watchdog on nuclear abuses — where no-one was left in any doubt that proliferation and the physical security of nuclear materials and plants were the international nuclear issues of paramount concern.

Two vitally important—albeit secret — inter-governmental meetings are to take place this autumn. Some delegates were clearly using the big occasion in Rio to try to harden objectives and determine natural boundaries between the two groups of nations which will attend these meetings. Others, from the developing nations, were openly hostile towards such clandestine "clubs."

In essence the aims of the two clubs are much the same—to agree basic conditions under which certain nuclear materials, equipment and information which might be helpful in making nuclear explosives can be exported. The urgency is evident from the eagerness now being shown by many nations—not least the oil-producing nations—to secure their national energy supplies for the future by installing nuclear plants. This in turn has led to the recent appointment of special presidential "task forces" by two of the leading nuclear exporting nations, the U.S. and France, to help determine national policy in this extremely sensitive sector.

Ironically, neither of the clubs exists officially. Yet many delegates in statements on behalf of their Governments made explicit reference to the so-called "London group" of nuclear exporting nations, whose representatives have met four times in London since early last year. The Royal Commission itself said: "We welcome the recent 'secret' meetings of nuclear exporting countries to discuss the proliferation problem. . . ." But there are nations which suspect the outcome will be at best to increase the cost of nuclear power, and at worst to deprive them of its benefits altogether.

Unofficial committee

To understand the London group's purpose, however, we need to go back to the second but older-established club, set up by a senior Swiss energy official in 1971, in an effort to reach common understanding among nuclear nations on the *control of nuclear exports*. Professor Claude Zangger gathered 20 such nations into the unofficial Zangger committee to try to determine what a nuclear exporter could and could not sell legally under the terms of the Non-Proliferation Treaty.

That committee produced something called the "trigger list," of nuclear items which would trigger international safeguards. The safeguards are the procedures drawn up by the IAEA which require member-states to account for their nuclear activities and to open their nuclear installations to the agency's inspectors.

The trigger list chiefly attempts to differentiate between items common to any modern power station (such as turbo-generators) and those essential to a nuclear station capable of making plutonium in significant amounts. Proscribed items range from any complete reactor capable of making more than 100 grams of plutonium a year to such components as reactor pressure vessels and top plates, primary cooling pumps, control rods, etc.—about a dozen all told. It was seen as a minimum list to which any nation would be free to add.

Because of a security blanket, however, the Zangger committee was less successful in attempting to draw up a trigger list for the nuclear fuel cycle, especially in the technologies for enriching uranium and for *separating plutonium* by reprocessing spent fuel. It got little further than listing generic plant descriptions — reprocessing plants, fuel fabrication plants, enrichment plants.

By 1974 this weakness in the trigger list had become glaringly apparent. The U.S., especially, as the world's most energetic and successful nuclear exporter, had grown deeply perturbed by *the weakness. Three events in* particular alerted it — the demonstration by India of a nuclear explosive in May, 1974, negotiations between West Germany and Brazil for the sale of enrichment and reprocessing technologies which the U.S. had forbidden its own industry to export, and negotiations by France with Korea and Pakistan for the sale of similar *technologies*.

Suddenly the U.S. woke up to the fact that it was no longer in command of a situation it had striven to control since the first atomic explosion. At its instigation the seven principal nuclear-exporting nations met secretly in London in April, 1975. Most significantly, they included one—France—missing from the Zangger committee. *They concentrated* on the so-called "sensitive technologies"—enrichment, reprocessing and the production of heavy water.

Last April each of the governments involved—the U.K., U.S., USSR, France, Germany, Canada and Japan—disclosed that it was imposing four additional conditions under which "sensitive technologies" could be exported. Moreover, although the London group had been set up on the understanding that any fresh conditions would not apply retro-actively to the German-Brazilian contract, it turned out that the new conditions were already provided for in the bilateral treaty between these two countries.

The London group continues to meet, first with the intention of expanding its membership—it now numbers 14—but also in the hope of agreeing still tighter constraints. Its overriding concern is the 11 nations with declared nuclear programmes but which are thought unlikely to sign the Non-Proliferation Treaty (NPT).

The IAEA itself, as watchdog, has no doubt that the new constraints still leave a sizeable loophole for any nation determined—like India—to breach the terms of the treaty. Dr. Sigvard Eklund, its normally very diplomatic director-general, was uncharacteristically outspoken on the point when he warned the Rio conference that it could be "nearing the end of the line" with the NPT.

He said sharply that "certain countries" showed no sign of accepting either the NPT or of voluntarily placing all their nuclear activities under his agency's safeguards. Nuclear exporting nations should make it an absolute condition of any contract with a non-NPT country that the recipient accepted IAEA safeguards not just on the imported items but on the *whole of its nuclear programme.*

Infrastructure for bombs

This highly respected Swedish scientist, director-general for 15 years, is deeply worried that within a decade those "certain countries" could well have *created a nuclear infrastructure* sufficiently highly developed to proceed perfectly legally on their own paths to nuclear explosives. This would make a mockery of the pledges of 100 nations which have already ratified the NPT.

Although officially there is no communication between the London group and the IAEA, Dr. Eklund—far from seeing the group as competitor—believes it very important that the club should keep striving for tougher constraints. One member, the U.S., is pinning its faith on the IAEA concept of multinational fuel cycle centres. These would be nuclear fuel factories large enough to offer, through economies of scale, attractive prices for services requiring the "sensitive technologies" to nations with developing nuclear programmes. These would be operated under IAEA safeguards and under high standards of physical security.

But a major study by the agency has now shown that the approach favoured initially by *the U.S., of regional fuel cycle* centres located in such regions as the Middle East or Latin America, are politically impossible. Instead it has turned its attention to the idea of centres set up between nations with an affinity of interests, each having at least one participating nation with both the technology and substantial cash.

As for safeguards, serious questions have been raised whether it will be possible to place the sensitive technologies under safeguards as stringent as those devised for reactors. Although the NPT implies safeguards on the entire fuel cycle, the IAEA has previously concentrated on power reactors. By 1977 it expects to have 87 power reactors under regular inspection compared with a total of eight factories employing "sensitive technologies."

"Even the safeguarding of reactors against the diversion of plutonium into illicit channels has proved much more difficult than was anticipated at the outset" admits Dr. Rudolf Rometsch, the IAEA's inspector-general. "It is not just a matter of installing a black box — if that ever becomes possible it is still far away."

The security of the fuel cycle is still more difficult to safeguard. For one thing, there are many steps in the cycle throughout which the inspectors must be able to keep track accurately of the fissile materials. For another, the IAFA has sad no sizeable plants accessible to its inspectors on which it might practice—its first wil[l] Urenco's gas centrifuge [en]richment factories in Holland [and] the U.K.

What then might we re[asonably] expect from the [forth]coming review meetings o[f the] Zangger committee and London group, in their e[fforts] to strengthen safeguards? [In] the former, it could possi[bly] the final meeting, provid[ed the] London group shoulders [the] tricky task of striving [for] tighter controls on the tra[nsfer] of "know-how"—a di[fficult] matter to define [...] although one provided for [in] the German-Brazilian t[reaty], for example. But Prof. Zangger also wants to see [safe]guards, once applied [to a] quantity of fissile mate[rial], continue to apply to all s[ubse]quent generations of mat[erial] derived from it—a cond[ition] that goes well beyond the [...]

Exporters' weapon

For the London group, [the] ultimate objective must [be] acceptance of the condition [that] exporting one single item o[n the] trigger list to a state [which] refuses to ratify the NPT w[ould] automatically set in train application of IAEA safeg[uards] to everything in the recipi[ent's] nuclear programme. Som[e at] least of the nuclear expo[rters] have been reluctant to go s[o far] but the next meeting wil[l be] aware that the proposal e[njoys] the tacit support of Dr. Ek[lund] and the IAEA. Professor Z[ang]ger himself is convinced [that] this is the exporters' "[most] powerful weapon" aginst [pro]liferation.

The bigger problem may [be] to agree how much longe[r to] *confine the London group* [to] nuclear exporting nat[ions] before taking would-be [cus]tomers into their confidenc[e]. [If] last week's Rio conferenc[e is] any guide, some nations [are] growing increasingly exa[sper]ated by the secrecy. The [time] may well be ripe for the cl[ub to] admit a customer such as [Iran] which is planning a substa[ntial] nuclear, programme sp[read] among several of the nu[clear] exporting nations.

MEN AND MATTERS

Industrial day out in Dockland

"The opening to-day of this estate, financed as it is with private investment, is positive proof that while others talk, local authorities and private investors in London are acting." Who said that, while the sun shone on the 65 acres of Beckton, East London, where in pre-North Sea days the local gas board's by-products division had run one of the country's largest coke-processing plants? That Sir Reg Goodwin, Labour Leader of the Greater London Council, had turned out to give this blessing was a bonus no property developer would have expected a year or so ago.

But Goodwin's stressing of the merits of private development *is a sign of how much the* capital, much of it suffering from worse unemployment than most of the assisted areas, needs any money going which is likely to create new jobs. In addition, the Beckton site is in Dockland, where a £2.1bn. rejuvenation plan has been launched, but where much of the public sector finance is going to be held back by expenditure cuts.

County and Suburban Properties, the developer, bought the site for over £2m. in 1973. It did not get outline planning permission until last year, and it only recently received an Industrial Development Certificate for building 70,000 square feet of factory. IDC's the device limiting industrial developments outside the assisted areas, normally involve a named potential user. This one was a rarity, an unspecified certificate, as one thing Beckton still lacks is a single tenant. The publicity talks of "providing an estimated 2,000 jobs" and an ultimate 1m. square feet of industrial buildings. But no one is so far committed to leading industry back to Beckton.

"The 'Right Approach' seems to be working!"

David Bloomfield, a director of County and Suburban, says reasonably enough that "industry will only go to places where it can see buildings," hoping that his first units will be up in time to catch greater industrial demand from mid-1977 on.

Goodwin continues to stress that it is "the harnessing of private capital and municipal planning" which will provide jobs for inner London. As it happens, County and Suburban's finance on this project comes suitably enough from FC Finance, the Co-operative Bank's subsidiary, which makes a speciality of lending to property developers.

Raitz returns

After more than two years of what he calls "twiddling my thumbs" a well known travel trade face is about to be seen again. Vladimir Raitz, whose Horizon group was involved in a spectacular collapse early in 1974, has been appointed managing director of Medallion Travel, the Malta-oriented tour operator that is 75 per cent. owned by Air Malta and 25 per cent. by Pakistan International Airways.

This means that Raitz will be out selling his wares at the Athens convention of the Association of British Travel Agents later this month, a fact which will doubtless make many retail travel agent do a double-take.

Medallion is to some extent another indication of Malta's determination to free itself of over-reliance on foreign operations. Raitz has been asked to "do a Sovereign," which is British Airways' brand name for its up-market tours. Raitz and Air Malta will be looking for 10,000 passengers a year and have already lodged their bond of £179,000 with the Civil *Aviation Authority* as a guarantee of financial security.

Raitz seems to be sparkling with the old aggression again, eager to be at the throats of the competition and even willing, if not actually eager, to talk about the unsuccessful efforts at a comeback on his own account over the past couple of years.

When an ex-entrepreneur has to work for someone else, the *relationship is usually expected* to be difficult, but Raitz seems to be finding life quite tolerable. "It's just the same really," he says. "You work just as hard, if not harder."

Truck and Bus takes Pitcher

For years the pundits have been saying that the British motor industry, and particularly British Leyland, needs new blood. Yesterday's appointment of Desmond Pitcher as managing director of Leyland Truck and Bus produced further confirmation that the new post-Ryder management is taking heed of the advice. Indeed, many in the truck industry will *be staggered that the Lancashire* company has gone as far afield as a computer concern—Sperry Univac—to select its new boss.

For Alex Park, the chief executive of BL who is rapidly gaining a reputation for making unconventional decisions, the appointment may not seem so unusual: after all, Park, an alumnus of Rank Xerox, has also come up through the trans*atlantic multinational route. But* it will be interesting to see what kind of stir Pitcher makes in the close-knit world of commercial vehicle manufacturing where everyone knows everyone and personal connections are still said to be the key to salesmanship.

What Pitcher brings to the job is clear. As European vice-president of Sperry Univac he has had *international marketing* responsibility for the third largest of the U.S. computer companies, plus considerable manufacturing control of products ranging from farm equipment (New Holland) to office equipment (Remington Rand).

By training he is an engineer, and he has had control of a company roughly the size of Truck and Bus (Sperry Univac's European sales are about £350m. a year, against the truck division's £320m.). Both the engineering background and the international marketing are qualities which are much in demand at Leyland, now on the verge of a large-scale development programme designed to take it into Europe. But Pitcher has one other quality that may help him just as much: he is a Lancastrian.

Deathly

"Don't drive if you're drinking," cautions a sign in a Sussex pub. "There's no cure for the mourning after."

Observer

FINANCIAL TIMES SURVEY
Tuesday October 5 1976

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Industrial Property

A new phase of development in the industrial property sector has begun, despite little evidence so far of a sustained increase in demand. Interim finance is more freely available to those anticipating an increased take-up of new space in 1977. But the vacant possession market in older properties remains weak.

A time for brave spirits

HREE SEPARATE types of nvestment decision may deterine the course of the industrial roperty market during the inter of 1976-77.

The first, and fundamental ort, involves the appetite of dustrial and commercial companies for new premises. In his, the diminishing prospects f any cut in unemployment do ot necessarily preclude an increased take-up of space.

The second type of decision ests with the investing institutions. They seem likely to maintain or increase the flow of their nvestments into property. A hortage of suitable industrial roperty investments would ean that more fund managers ere prepared to see a further rosion of the traditional yield ap between the best industrial nvestments and the rate for rime shops and offices. It will lso encourage a growing umber of institutions back into he *funding* market and a few braver spirits into direct development.

The third set of decisions rests with the development companies. Many have already, in the expectation of greater rental demand, and firm evidence of increased investment demand, entered a cautiously expansionary phase. As their new premises are completed, these can be expected to encourage, as well as answer, an increased demand from industrial users.

The link in the decision chain, particularly in the timing of a real upsurge in rental demand, can seldom have seemed less certain. Nevertheless, in the development of new and more efficient premises, the industrial sector is at present the most active in the property industry.

This increase in development activity is taking place despite the lasting ravages of recession in terms of vacant industrial space. The number of 100,000 square feet or more factory premises on the market, often vacant because their operations have been closed down rather than relocated, is not diminishing. The problem of what to do with these purpose-built and frequently antiquated premises is acute, in planning as well as financial terms.

The market for freehold, vacant possession premises remains extremely difficult even with buildings which are relatively modern and adaptable. With older multi-storey buildings they have often lost all but a token site value. The instance in London of such a property recently being sold for less than £1 a square foot illustrates the point.

The case for more modern premises making for more efficient businesses is perhaps proved by the contrasting experience over the past two years in the level of market rents and of voids on the better industrial estates. While rents have not, on the whole, moved forward in the past year, they have displayed none of the extreme volatility of office rentals. Equally, a traditional bogey of industrial property investment, the fear of wholesale voids due to company failures during a slump, has not materialised.

Doubts

Much of the success of these estates is based on warehousing rather than factory use, and, given that probably a majority of manufacturing companies still create any extra space they need by building on their own sites, around two-thirds of inquiries to agents for space is for warehousing. There are doubts as to whether this level of warehousing demand will continue. An export-led revival of the economy, rather than a consumer-led domestic boom, does not point to it.

But the forces running in favour of the industrial property market at present remain formidable. Behind them lies political and social acceptability, an important factor in an industry which had recently lost the sympathy of much of the community.

The Government has indicated its belief in the connection between the availability of suitable premises and industrial expansion both in its own advance factory programme and by further modifications of Industrial Development Certificate control. Those pension funds and insurance companies who have returned to the funding and development markets have, beside any commercial considerations, the knowledge that this must be reckoned acceptable investment policy in a period of greater scrutiny, including by the trade unions, of how they money is deployed.

The City has similarly indicated its faith in industrial property through the stock market, where industrial developers' shares have suffered less harshly than those of office developers—the placing of Percy Bilton shares last week was indicative. There is no sentiment about this: the immense short-term debt of several property groups which are mainly office developers contrasts with the sizeable cash balances of some industrial specialists. Of the around £900m. worth of properties which quoted groups have sold to institutions since the crash in property values in 1974, hardly any has come from the industrial developers, this being one reason for the shortage of prime investments available to the funds.

What has spurred institutional interest in industrial property is not so much past performance, though the rental record of the best industrials is now widely accepted, but the prospects for the future. Lifting a £12 a square foot office rent to £18 a square foot at the first rent reveiw is the sort of growth funds must aim at in buying at an initial 6 per cent, yield at a time when a gilt is issued at over 15 per cent. Getting an industrial rent up from £1 to £1.25 on an investment made at an initial 8 per cent, may seem more probable.

For the moment, however, industrial rents remain static and many areas have seen a decline, though in many cases a modest one, since the recession took hold in the middle of last year. The case for rentals going ahead again, on which most speculative developers are working, owes something to the idea that industry has grown resigned to absorbing increased costs and will be prepared in a way that office tenants are not, to pay rents which will leave the developers' profit margins intact.

Prospect

But there is also the prospect that good modern space in favoured locations may soon be attracting a scarcity premium. For more than a year now, optimistic voices in the industry have been talking of a factory famine developing once the economy moves towards recovery. They were premature—though the odd exceptionally located warehouse properties in the South East have already commanded more than £2 a square foot—and they are unlikely to be proved dramatically right now that there has been a pick-up in development activity with the majority of the new projects beginning to come on stream from the second quarter of next year.

The level of activity is still low, however, by the standards of the early 1970s and a sustained revival of industrial investment would produce some shortages. These would, as before, be exacerbated by planning restrictions, both national and local.

So far, however, the evidence of increased rental remand is limited. There has undoubtedly been some rise from the very low base of 1975, and the degree may be indicated by the figure from agents Chamberlain and Willows that to mid-September inquiries received for factory and warehouse space were running 11 per cent. up on the comparable period last year.

For the most part, the increased demand has so far come to smaller units. This by no means restricts the users to small companies, but the demand from small businesses has certainly been a feature of the market. This is not restricted to rental demand. Many managers apparently see the present as the right time to secure their future accommodation by purchasing their own freeholds.

As an example of this, and also of the new interest in industrial sites, agents Healey and Baker, when selling an eight acre site at Watford, had serious inquiries from 16 potential owner occupiers who wanted parts of the site. In the event, the best offer came from a development subsidiary of the Hunting Gate Group, who were prepared to pay something over £750,000, this being one of a flurry of deals completed just prior to operative start of Development Land Tax on August 1. The same agents report increased interest from owner occupiers in buying some small older, vacant possession, freeholds which have been on the market for several years.

Trend

This interest, though it will make little impression on the total of derelict older properties, is perhaps a trend worth noting and one which is confirmed by some other agents. It would appear that the small businessman regards ownership of his *freehold* as a fair insurance policy against the likelihood of future rent rises and some palliative against the certainty of future rate hikes.

The small businessman's judgment is probably right in assuming that much industrial property is now remarkably cheap and bears little relationship to ever increasing reinstatement costs. But it is unlikely that the hulk of older industrial premises are ever going to be improved by owner occupiers.

Those who argue that modern premises are, in most industries, essential to the improvement of productivity, must see it as the job of experienced developers to handle the refurbishment or rebuilding of antiquated works. There is, as yet, little sign that developers can see any demand to justify such exercises.

The city locations of the bulk of such properties have often lost favour with industrialists. The part taken by developers in any rejuvenation of London's docklands will perhaps provide a pointer to what can be done if local authorities start to see developers as an essential tool in their drive to attract employment.

The preliminary moves by some local authorities to do their own industrial estate developments in order, hopefully, to create jobs for the local population have so far produced mixed results and further experiments may fall victim to expenditure cuts. While developers risking their own money cannot be expected to co-operate in such efforts to get work to the workers unless there are fundamental reasons for believing demand in the areas will exist, the new era of co-operation between industrial developers and local authorities started by the Community Land Scheme has already thrown up several different partnership methods.

This is only one aspect, though the newest, of an industrial property market which appears ready, always providing there is any broad-based revival in industrial activity, to enter an expansionary phase. It should not include the excesses of the last such period and it is arguable that the role of the industrial developer and the part such companies or funds can play in a regeneration of British industry is better understood than ever before.

Quentin Guirdham
Property Correspondent

Official attitudes become less harsh

THE PROPERTY INDUSTRY has frequently been 'persona non grata' in Government circles, but, relatively speaking, the industrial sector has never been quite as out of favour as shops or offices. There has been good ground for suggesting that if one must be in property at least then be in factories or warehouses.

Governments have always found it easier to understand why the country must have a continuing supply of factories and warehouses than to understand the interconnections between office accommodation, new hotels or shopping centres and the country's economic health.

To-day is no exception. In an outspoken address in Manchester earlier this month Mr. Peter Shore, the Secretary of State at the Department of Environment, alerted property men and industrialists to the possibilities of major relaxations to factory development controls. He announced that he could see a real purpose to assisting industry in the inner areas of major cities. So long as a programme could be worked out which would not disturb the existing regional policies he could see a need to assist industry even outside the assisted areas. Mr. Shore made it clear that he was referring to possible relaxations to the current Industrial Development Certificate regulations.

Priority

At present the Special Development and Development areas have first priority in the Government's industrial policy. Industrialists building in those areas need no IDCs. Intermediate areas have second priority, closely followed by the new and expanding towns. In both of these areas industrialists still need to apply for IDCs although they tend to be fairly freely granted. Elsewhere, particularly in London and the South East, IDCs are obtained only with great difficulty and are usually given only to companies who can prove unusually strong local links and near catastrophe should they be forced to move.

Now Mr. Shore has recognised the plight of industry in some of these low priority areas, and has proposed that some of them, at any rate, particularly areas where, like dockland, there is chronic high unemployment, should have the same priority as the new and expanding towns.

At present the idea is just a concept; so far there has been no move to investigate the possibilities or draw up a theoretical policy. But it does indicate which way the Government is tending to move. And it does come close on the heels of recent relaxations to existing IDC controls.

Since early this year IDCs have been required only for premises of 15,000 square feet or more (12,500 square feet in London and the South East) where previously 10,000 square feet was the limit which could be built without an IDC.

In addition industrialists are now permitted to replace really obsolete buildings without having to apply for a new IDC. The concession is only a small one as it applies only to pre-1909 buildings but it is at least a sign that Government recognises "replacement" as something different from new development.

Industrialists have also been heartened by their special position under Development Land Tax. As a result of representations to the drafters industrial companies will be permitted to develop land for their own use without incurring any liability to DLT so long as the property continues to be used for industrial purposes by the occupier. The concession is a very liberal one: it even allows industrialists to carry out sale-and-leaseback deals with impunity so long as they continue to use the premises for industrial purposes.

Even if the industrialist sells off part of the property he has developed under this concession he will be liable only for a strictly proportionate element of the tax. Furthermore, he may even be able to use the clause to build units for purposes only "ancillary" to existing industrial use buildings. That is only a possibility at present; it will await individual court cases to determine how far the word "ancillary" can be extended. The spirit of the clause is certainly not to allow loopholes for office building, but some solicitors think that the loop-hopes may be there all the same.

These are but the latest in the special provisions made for industrial property by successive governments. But they are in step with normal practice. Under the 1975 Finance Act, for instance, the Industrial Building Allowance was raised from 40 per cent. to 50 per cent. Under the scheme half the cost of industrial building can be offset against Corporation Tax in the first year.

In Development and Special Development areas this incentive is strengthened by direct grants for buildings, plant and machinery. In intermediate areas buildings alone qualify for grants. If, as Mr. Shore, intimated, other areas could obtain *the same priority as new and* expanding towns industrialists may find such grants available even outside the Assisted areas in certain pockets of employ*ment pressure. Part and parcel* of the same thinking are the special assistance programmes aimed at accelerating industrial building or supporting particular industries.

In the 1975 Budget the Chancellor, Mr. Denis Healey, announced a £100m. package of incentives to bring forward private industrial building programmes which were otherwise being postponed or abandoned because of economic factors. The purpose of the scheme was to try and avoid the normal situation where industry is caught napping when recovery does arrive and finds itself without the premises needed to take advantage of the recovery.

The scheme got underway only slowly but the Department of Industry is now very satisfied with the result. It claims that the outlay of public money in this fashion (by way of loans or grants) has been matched six or seven to one by private funds. (The scheme has now closed. To qualify for assistance building needed to be started by to-day.)

Another notion, also claimed to be successful, has been a series of selective packages made available to certain types of industries This has been achieved under Section 8 of the Industry Act. In 1973 the wool industry was allocated £18m. to be used in this way. Machine tools and ferrous foundries are benefiting at present. The *clothing industry* has taken up £20m. Printing machinery, textiles and poultry processing are other beneficiaries.

It is not insignificant, either, that among the expenditure cuts in public works programmes announced by the Chancellor in July, no mention was made of cuts in the Government's Advance Factory programme which, during the last year, has been running at roughly double normal proportions. Part of the money for this, admittedly, comes from the EEC's coffers through the European Regional Assistance Fund, but Her Majesty's Government is obviously committed to providing speculative factories at modest rentals to meet demand when it arrives. In short, all the signs point to Goverment's continuing understanding of the role of factory and warehouse development in the health of the country's industry.

This bodes particularly well for the future where the major investment and funding institutions may be nationalised or have their investment policies directed by Government. Only last week, Mr. Wedgwood Benn set alight the Labour Party conference with the claim that the country's plight is to be laid directly at the feet of capitalism which has failed to invest in British industry. Ways had to be found "of moving the nation's savings into the nation's industry," he said as a preamble to an argument for nationalising the major banks and insurance companies.

Should any such move come about it is clear that investors will be encouraged to invest in industry which, in turn, will entail heavy investment in industrial property. The same state of affairs, as we have noted before, would ensue if and when the trades unions were to get strong representation on company boards. Such unionists might well cavil at investment in office blocks; they could hardly *do* other than support investment in factories and warehouses.

So it is too on the fiscal side. It seems likely that industrial property will continue to enjoy fiscal incentives denied to other types of property. It is not even difficult to foresee a future where industrial developers *are encouraged to expand their* programmes while other building schemes are fiscally penalised.

At the very least one can feel *secure in saying that the tone of* Government policies towards industrial building remains constant. And the tone is favourable.

Christine Moir

Investments come into their own

INDUSTRIAL INVESTMENTS, for *so long overshadowed* by the much more popular shop and office purchases, have now come into their own. Since the first quarter of this year professional investors have been making a determined effort to enlarge the proportions of their portfolios allocated to industrials.

Several factors have contributed to this change in policy. In the first case there is a large body of evidence now available to suggest that industrial property has consistently outperformed offices over the past ten years, and—more importantly in the aftermath of *recession—its defensive qualities* have been much more marked.

Three years of monitoring warehouse and office rents *throughout the country* has brought home just how volatile the latter are in comparison with the former. Most striking of all has been the clear picture *showing that office rents can* drop through the floor while industrial lettings tend to stick at a level below which they have not needed to drop. Other analysts have *obviously* been watching the same phenomenon.

To the investor several results of this then become clear.

1—Industrial lettings have performed better than offices.

2—Industrial investments can be bought at a yield some 2-2½ points higher than offices.

3—To match the yield on gilts industrial property will, therefore, have to show a rather smaller annual improvement than offices—an improvement well within their proven capacity.

For instance, to match a gilt *with a 14 per cent. coupon*, an office block bought at 5½ per cent. would need to show a 9 per cent. per annum compound growth. An equally prime industrial investment could normally in to-day's market be bought at 8-8½ per cent. At the lower figure the industrial property would need to show a mere 5 per cent. per annum growth rate to equal the performance of the office block. As the Percy Bilton figures published earlier this year show all too clearly, this target is easily outstripped by most industrial investments.

Risky

Performance then, is attracting investors to industrials, but there are other attractions as *well. Traditionally, for instance,* it has been generally held that industrial property is intrinsically more risky than offices. The argument runs along *familiar lines:* a company in trouble or during a recession may be forced to close one or more of its distribution or manufacturing units. It will hang on to its head office premises to the last.

This latest recession, if not precisely giving the lie to this argument, has made people review the assumed defensive qualities of offices. Part of the pattern of the last three years has been the shrinkage of office requirements as companies have retrenched through minimising on their more expensive space. In the light of, perhaps £7 per square foot rents on the head office and £1.10 per square foot on the production and storage premises, companies have seen their way to substantial *economies more easily through* reducing their offices.

There have been signs of trends to hiving off clerical departments to ancillary offices incorporated in warehouses. Consequently, investors have been revising the risk element in industrial purchases—and revising it downwards. Yet that risk element has been part of the reason for the traditional yield margin between offices and industrials.

Yield margins are under study at the moment. There is a strong school which advocates that they be abandoned or at least drastically narrowed. But *there is an equally strong body* of opinion which maintains that the margins still have a purpose.

The risk of voids is only one element in the margin. More *important is the question of*

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Assistance for the regions

E GOVERNMENT spending gramme on regional assist- e, which is now running at re than £500m. a year, has particular importance in all ustrial property planning. ree categories of assisted area the special areas, the full elopment areas, and the ermediate development areas all are receiving grants for ustrial buildings.

hat means that more than f the country is classed as itled to such grants, which ge from 22 per cent. in the cial areas to 20 per cent. in other two. Only the Mid- ds, East Anglia, parts of the th West, and the South East, excluded from the building nts system.

Clearly industrial planning in period of high interest rates st take even more account n usual of grants available those levels. The calculations out plant location must also e into account the 22 per t. and 20 per cent. grants industrial machinery avail- e in the special areas and the l development areas respec- ely, and the regional employ- nt premium and certain other ms of assistance available in se areas.

The policy of encouraging in- stry by means of grants to tle in the development areas effective. That is now being own by the unemployment ures. Progressively during last year the traditional e disparities between unem- yment levels between the rth and West of Britain on one hand, and the more sperous Midlands and South the other, have been fading ay.

The present level of unem- yment—although high—is ch more evenly spread ross the country than in mer periods of high unem- yment. The regional policies ve managed to avoid the pearance of black spots (with employment reaching such els that the social fabric be- s to crumble, as happened in rts of the North East and otland in the 1930s).

Similarly the latest figures for w industrial investment show the trend towards evening out the old regional disparities. The share of the South and the Midlands in new manufacturing investment declined from 47 per cent. to 42 per cent. between 1974 and 1975. The regions that have been doing relatively best are Scotland and Wales, the North of England, and the intermediate development region of Yorkshire and Humberside. For example, the North of England's share of industrial investment has gone up from 10.4 per cent to 12.6 per cent., Scotland's from 9.4 per cent. to 11.7 per cent., Wales from 6.1 per cent. to 6.4 per cent. and Yorkshire's and Humberside's from 11.2 per cent. to 12.6 per cent.

Equation

New factors are entering the equation that the Government always has to consider when attempting to manage regional development in a balanced fashion. One item being given special attention is the extraordinary success of the British new towns programme since the war. It has become a model for the world. There are more than 30 new towns and they offer industrialists modern and clean surroundings and expert help in establishing themselves, while there is good housing for workers near their places of work.

The trouble from the Government's viewpoint is that the new towns programme has become too successful. At the other end of the spectrum it has encouraged a flight of industry and workers from Britain's inner city areas where life and activity is sorely needed. In a major policy speech in Manchester, Mr. Peter Shore, the Environment Secretary, declared in September that policies will have to be reversed. In future it looks as if there will be much less emphasis upon dispersal of population—and the new towns are an instrument of such a policy — and much more emphasis upon attracting industry to settle in the inner areas of London, Manchester, Liverpool, Birmingham, and Glasgow.

The whole trend of Government thinking on this matter is of tremendous importance to future development of industrial property. If the new towns a : to get less and the old cities more it will mean a shift of resources of a massive scale over a period. Mr. Shore said that at a time of great strain on public resources it was necessary to get value for money in what was done. Part of what needed to be done to attract developments back to the inner *areas involved the adjustment* of planning policies, which placed no great burden on the public budget.

He added: "In addition the extra costs of building in inner city areas could be set off against the fact that often the social infrastructure is already there."

While the Government is putting established policies into reverse to help the declining cities one area of Britain will continue to enjoy rapid regional development—and in particular industrial development — for some years to come. That is Scotland where the oil boom has already done much to transform Scottish industrial prospects, and where there are golden opportunities still to come.

In the remote Highlands and Islands region, where a Development Board operates, new industry is arriving, much of it associated with rig-building and the coastal offshore industry *developments. Along the north* east coast the growth of Aberdeen is a phenomenon. Oil-related activity in Scotland is expected to bring more than 50,000 new jobs to this area by the end of this decade.

There is a string of five excellent new towns across central Scotland — they are represented by an office and organisation in London — and they are proving focal points for oil-related industrial development. Whatever policy is decided upon to trim the wings of the new towns it is unlikely that the immediate futures of these Scottish towns will be impaired by any government action. They are too valuable to the North Sea effort.

Merseyside is another area where Government policies will have to be carefully conducted in order to secure maximum growth and reduce the serious pool of unemployed. The decision to do more for inner city areas will be welcomed on Merseyside.

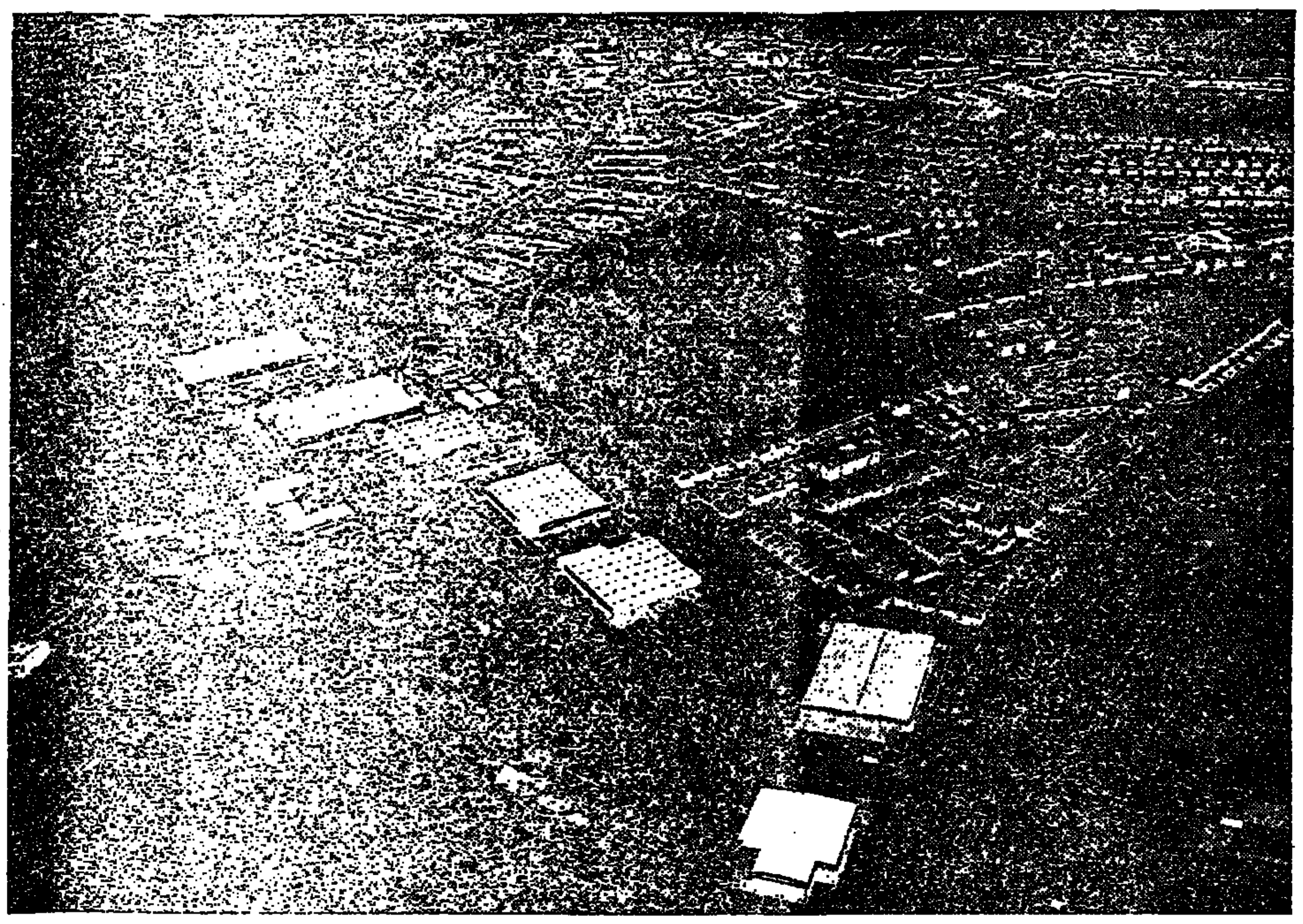
The old docks area of Liverpool is a sad example of industrial dereliction. Redevelopment there would do much to bring new prosperity to the area. But the Government will have to take care at the same time not to damage the pros*pects of the three new towns in* the general Merseyside area—Warrington, Runcorn, and Skelmersdale. They are making an important contribution to the industrial development of the area with their new factories and housing.

The new Government concern for the inner cities is certain to have a profound influence upon the work of the Location of Office Bureau (a Government agency). This organisation is already under attack for its successful and sustained work in encouraging offices to move out of London to regional locations. It will be a difficult decision for the Government to weigh the positive contribution made by LOB against its negative role of removing companies from some parts of London where it is now clear that they are needed to sustain life.

But the effect upon many parts of the provinces of LOB's efforts should not be underestimated. Cities such as Leeds, Manchester, Bristol, and towns such as Swindon, Basingstoke, Southend, Northampton, and Portsmouth, have enjoyed welcome and much-needed injections of new activity because LOB has encouraged office activity to move to them from the London area.

The feeling is now widespread in the regions that balanced economic progress must mean new commercial activity as well as new industrial activity. That lesson has been learned largely because of the impact upon provincial towns and cities during the last few years of new commercial activity moving away from the South East of England.

Roy Hodson



Laing's Patchway Estate in North Bristol, adjoining the M5, where the units include Johnson and Johnson, BOC Transhield, C and A Modes and Haden Young. Terms have just been agreed to build a 68,000-square-foot warehouse for F. W. Woolworth (on the site at the top left) and in a new 20,000-square-foot unit, 11,000 square feet is available. Agents are King and Co. and Hendersons. This has been one of Laing's most successful estates. It last week announced five new projects.

Investments

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obsolescence. Built into the 2½ per cent. margin is a sinking fund to cover the fact that industrial premises have always become obsolete much faster than office blocks.

That theory is also under attack. In a recent report, the respected firm of Richard Ellis argues that yield margins should decline because, although it is true that industrial property does age faster than offices it is at the same time "capable of more rapid and less expensive modernisation or partial reconstruction than offices."

The report points out that offices built in the 1950s are now proving of too low a standard of accommodation by to-day's criteria and now require very expensive refurbishment. On the other hand the refurbishing of factory or warehouse space is comparatively cheap.

The opponents of this view agree over the comparative costs of refurbishment. Their main argument is that after 20 years an office block may be in need of extensive upgrading but a factory will almost certainly need to be completely rebuilt. They point to the rapidity of the changes in manufacturing and distribution methods which have demanded ever higher standards of industrial accommodation. The doubling in length of lorries has already made many industrial estates difficult of access. The now established containerised delivery system creates special problems at loading bays. Methods of stacking now demand eaves' heights of 24 feet or more. And there are no signs that further radical changes cannot be expected over the next 10 to 15 years.

John Davey of the Pension Fund Property Unit Trust says: "I wouldn't wish industrial yields to go down to the level of office yields. Industrial buildings should have a measure of a sinking fund built into the yields." At the same time the PFPUT is actively seeking industrial investments "along with all our competitors" but it is not in the market if the yield margins are squeezed too tight.

The conservative view has much appeal but the argument for a reduction in the yield margin has not been idly devised. It is obvious that the performance of industrial rents has so considerably and consistently outstripped offices over recent years that some form of weighting ought to be made to take account of this.

It is possible that the most sensible move—and one advocated by several leading institutional investment managers—would be for office yields to float up gradually to the 6-6½ per cent. mark while industrials stay where they are.

The advantage of such a state of affairs would be obvious. At 8 per cent. the trend in industrial rental growths allows room for a return which matches a 14 per cent. gilt plus an element of a sinking fund. At 6½ per cent. office investments would be able to match the same rental growth if one assumes that a sinking fund is not such an important element.

Christine Moir

Government factory policy pays off

THROUGHOUT THE recent economic recession the Government has consistently followed a policy of building factories in advance of industrial demand. All the indications are that it is now beginning to pay off in terms of providing a vital springboard for industrial expansion.

While the so-called "advance factory" has been a feature of British regional economic support and regeneration policies for many years the programmes now being pursued are bigger and more sophisticated. The means of administering Government-sponsored factories have meanwhile been adapted to meet the needs of the times. In particular the trend towards Scotland and Wales having a greater say in their own affairs has resulted in new management arrangements.

The English Industrial Estates Corporation continues to manage Government factory building and maintenance in England. But within the past year the management of the factories in Scotland and Wales has passed to the two new development agencies established for those countries.

On current estimates the total stock of Government-built factories in England, Scotland and Wales is providing work for some 300,000 people. The English Industrial Estates Corporation has 57 factories under construction (825,000 square feet), a programme in the pipeline for a further 104 factories (more than 1m. square feet), and 88 factories totalling 1.8m. square feet either empty now, or becoming available shortly.

Even during the worst economic conditions of 1975 Government factories continued to attract occupiers. Now that industrialists are showing more interest in expansion the three agencies and the Department of Industry which administers the Government factory building policy are certain that the industrial production resources they have ready and waiting will prove a major factor in industrial revival.

The professionals administering the programme have seen it all happen before successfully on several occasions. On their observations and experience they have no doubt whatsoever that the Government factory building programme plays an important and continuing role in the British economy.

Advance

Advance factories—under one name or another—have been built on the Government's behalf ever since 1936. Their proven success has been the basic reason why successive governments have continued the policy. The north-east region of England can be quoted as an example of what the provision of advance factories can do. During the last 15 years the region has lost about 150,000 jobs in shipbuilding, coal, and steelmaking. However, most of those jobs have been replaced with new employment through the combined efforts of the Department of Industry, the local authorities, and the new town corporations.

The key weapon throughout the regeneration of the North-East has been the advance factory. To-day one person in every four employed in manufacturing in the region works in premises built by the English Industrial Estates Corporation with Government money. Indeed, more people in the region are now working in Government-built factories than are employed there in coal and shipbuilding together.

An official of the English Industrial Estates Corporation traced the effectiveness of the factory building programme in recent years: "Following the 1972 recession it is a fact that by the peak of the boom in 1973 all our factories were occupied and in production. There would seem little doubt that if more advance factories had been available then even more industry would have been attracted to the regions."

Estate agents and surveyors are reporting an increase in inquiries for industrial property and the Department of Industry policy of using the last year of recession to replenish stocks of advance factories is being regarded as a wise one. Companies wishing to expand out of a recession do not usually have funds to spare for purchasing buildings if they can rent them. The ability of the three Government agencies to offer rented industrial accommodation instantly is one of the strongest points of the advance factory policy.

The Government agencies have built advance factories in all conceivable shapes and sizes for rental or purchase. But a great deal of expertise has also been built up about the kind of factory that a typical company wishing to expand may be looking for.

From that consensus has emerged what is now virtually the standard advance factory. It is of 15,000 square feet. The main factory space has a steel framework and is clad with steel or aluminum. The interior height will be about 16 feet. An architecturally pleasing frontage includes office and ancillary accommodation. For a factory on those lines the rental will be between £12,000 and £15,000 a year.

In Scotland and Wales each advance factory programme running at present involves some 1m. square feet of factory units in the building and planning stages. In England the greatest emphasis is being placed upon help for the Northern region where 28 factories are under construction and another 24 are being planned—a total factory space of 750,000 square feet. The North West region has 17 factories under construction and 23 planned—a total area of more than 500,000 square feet. The Yorkshire and Humberside region has five factories building and 35 being planned—some 400,000 square feet. The Midlands and the South West are also being provided with a sprinkling of new advance factories—19 altogether.

Flexibility

The flexibility of the landlords in coping with changing factory needs is another cogent reason why so many industrialists prefer to house their activities in Government factories. The basic units can be multiplied to suit a customer's needs, for the site is often provided with generous room for expansion. If the customer does not wish to expand on the old site he can be moved to a bigger factory as one comes available.

On the bigger trading estates run by the agencies there have been many instances of a company starting life in a small factory and moving in and out of several premises during years of expansion until it has become a key sector of the estate. Such companies rate one important advantage as the ability to keep a stable labour force drawn from the area.

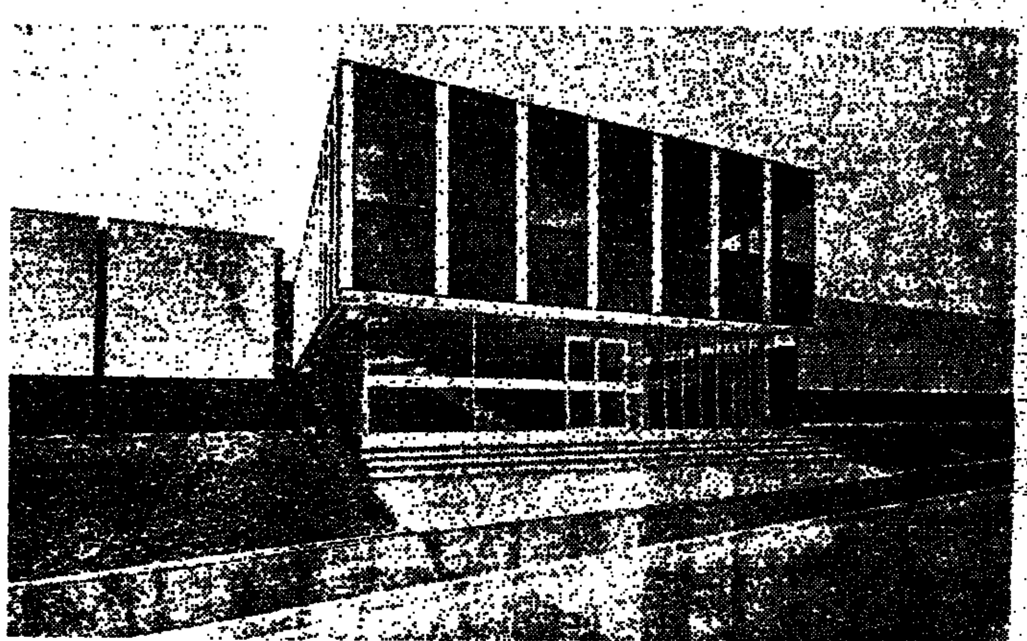
Lately the Government has been exploring new concepts to maintain the impetus of the advance factories programme. On Merseyside and in Leeds some small factories of 2,500 square feet up to 5,000 square feet are being built in inner city areas. They are being dubbed "nursery factories" and are being intended to act as the seed corn to encourage young businessmen to establish themselves in the cities where new industry is essential for the well-being of the community.

In the future it is also likely that the building agencies for government-sponsored factories will be asked to turn their attentions towards refurbishing and bringing up to modern industrial standards some of the old industrial buildings of the urban areas. The estates corporations have always concentrated upon new factories believing that they give best value for money.

But the economic need to re-establish industry in the urban areas means that some of the old but sound industrial buildings must be used again. Such a change in emphasis may require a new directive from Parliament as to the role of the government building agencies—at present they are charged specifically with providing factories to establish new jobs and are not allowed to rehouse displaced industry.

But Mr. Peter Shore, the Environment Secretary, has given fair warning of the Government's recent reversal in regional policy. In future available resources are likely to be markedly switched from new towns and out-of-town industrial estates in favour of inner area industrial estates and the revival of urban factories. The three building agencies will have a vital role to play.

Roy Hodson



The first unit of the Hayes Industrial Park, developed by a partnership of the Cola Industry pension funds and Sir Robert McAlpine and Sons. This 31,000-square-foot unit has been let to Vehofreight at £47,000 a year. Agents for the estate, which is planned for another 195,000 square feet are Healey and Baker and Strutt and Parker.

Rents may rise faster next year

BY THE MIDDLE of 1977, it should be clear if the cost-push theory of industrial rental inflation has become tenable. By that time enough of the new industrial schemes started this year will have been marketed for some judgment to be made on whether increased building costs can easily be passed on in higher rents. On past evidence, there seems a fair chance that they can.

But the increase in industrial rents will, in some cases, have to be substantial. Developments are being started, and in some cases funded, which rely on projections of rents of £1.75 to £2.25 a square foot where current market levels seldom exceed £1.50. Unless an industrial revival gains pace more quickly than anticipated, leading to a genuine demand-pull escalation of rental values, then the consistently rising record of industrial rents will be severely tested.

This record is firmly established and it is growing recognition of it which has largely influenced the debate this year on whether the traditional 2 or 2½ per cent. yield gap between industrials and offices or shops is justified. The rider, however, must be added that this growth pattern is by no means nationwide.

Indices of industrial rents published by the Department of the Environment, based on Inland Revenue returns for factories of more than 20,000 square feet, showed a rise from a base figure of 100 in 1970 to an equivalent one of 153 in 1975. On this assessment industrial rents rose substantially more slowly than most shop or office rents.

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Building costs very competitive

MIGHT sound too much like ...les patter from a builder with ...lf-empty order books and ...ecious little chance of filling ...em up, but any company ...erating in the U.K. and think...g of taking the decidedly un...shionable step of investing ...w in new industrial premises ...uld be on to a good thing.

For the state of the construc...n sector is such that, despite ...e horror stories of rocketing ...aterial and labour costs, the ...ent currently holds the upper ...nd. While it is true that ...sts across the construction ...arket have been rising over ...e past two years at an alarm...g rate—at one point between ... per cent. and 30 per cent. ...r annum but now down to ...ound half that figure—the fact ... that, in the scramble for ...siness, tendering prices have ...mained virtually static. ...ilders' margins have been ...adily eroded—to the benefit ... the customer.

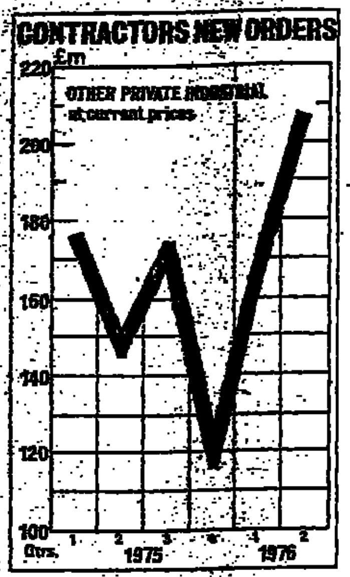
In short, the market to-day ... extremely competitive and ...e company which is consider...g expansion or completely ...w industrial development is ... a position to take advantage ... a situation which cannot and ...ll not last for ever.

As one realistic contractor ...t it: "There might have been ... great deal of talk in some ...cles about building costs ris...g at 25 per cent. a year or ...ore but the simple fact is that ... market in general has ...fused to bear these increases ...d while clients are certainly ...ving to pay more for their ...rk than ever before the ...ain is in many cases being ...ken up by the builder him...elf, who is doing work on mini...al or even non-existent mar...ins simply to keep his team ...gether."

But while the current state of ...e economy, and hence the ...nstruction sector, might pro...de the potential client with ...me distinct advantages—pro...ded he can raise the required ...pital—he nevertheless faces ...me pretty unpalatable facts ...en he compares his lot with ...me of his foreign counter...rts. That, at least, is the situa...n if some reports are to be ...lieved.

For although he may currently be in a position to get his work done for a bargain price, there is growing evidence to suggest that he will, in any case, find the provision of new industrial premises in the U.K. a more complicated, lengthy and therefore costly business than would be the case in many other countries.

One such report, which earlier this year sparked off considerable controversy and has since been food for thought in Boardrooms, building companies and local and central government departments, came from Slough Estates. It pointed out—as though it needed saying—that one of the major criteria for modern factory construction was that unit costs should be kept to a minimum and that rapid construction—though not at the expense of quality and ultimate working conditions—was vital. The report went on to state baldly that, at all stages of the development process, things took a great deal longer to get done in the U.K. than in many other countries and that, as time meant money, the U.K. client could expect a bigger bill.



In concluding that the total time which can be expected to lapse from the inception of a factory development to its completion was "considerably longer" than in other countries, the survey—conducted in seven nations—pinpointed longer decision-making processes in all the steps along the construction path, from design and pricing to the receipt of the necessary grants and permits.

On the last point, the survey pointed out that a great deal of uncertainty existed for the applicant as to whether or not the requisite permits would eventually be granted, whereas in many European countries at least their rights were clearly defined and their expectations more soundly based.

Slough Estates reckoned that while the unit costs of a U.K. factory were certainly comparable with those of other countries, a combination of high interest rates, inflation and prolonged development programmes meant that the eventual cost of a factory compared unfavourably with that in most other countries.

The survey had some pretty hard things to say about the role of the contractor and his suppliers in the U.K. Among major reasons cited for the poor performance were the unreliable delivery of materials to the site, leading to delays and rising costs, the utilisation of outdated building methods, restrictive practices and demarcation among the workforce. In addition, a great deal of the blame was put down to "the absence of a sense of urgency and a conviction by all concerned that it is really impossible to do very much better". — a symptom which is possibly not confined to the construction sector.

The survey was nevertheless anxious to point out that industrial relations on U.K. building sites were often better than elsewhere but that output per man was still lower even though less time was lost because of strikes and disputes.

The conclusions to be drawn from Slough's investigations are, as it said itself, simple and straightforward, though extremely controversial. British factory development, it claimed, could not compete with the costs and delivery schedules of other countries and unless investment opportunities in the U.K. were competitive, investment would inevitably be diverted elsewhere when industry again began to expand.

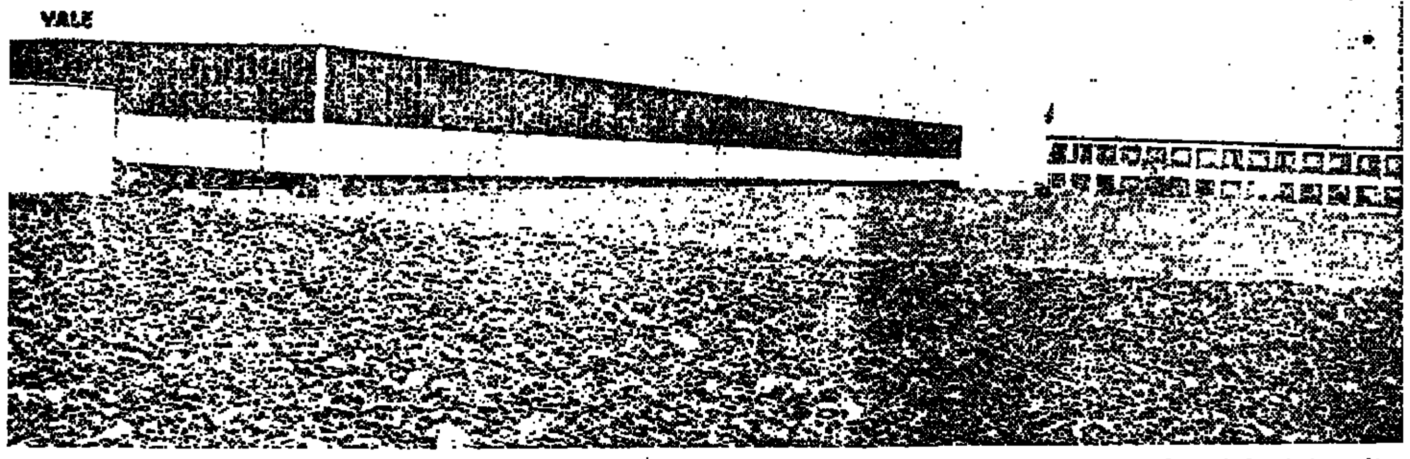
The survey pointed out that it was now impractical for a U.K. investor accurately to predict conditions some two to three years from the conception of a forward planning programme, when his factory would be completed. In North America, however, the design-construct cycle was only six to nine months, and in Europe about one year.

It added: "Furthermore, in these other countries investment plans proceed with some degree of certainty, while in the U.K. the whole preliminary phase is subject to the vagaries of unqualified comment of planning committees and decisions which could well at the best delay essential investment and, at the worst, could veto such investment. No industrialist can afford to risk premature expenditure if there is a chance of the project being rejected."

The message that unless the Government relaxes present controls on development the stimulation of new factory development will prove extremely difficult is one which is now being increasingly voiced by critics of the present system and they are hardly likely to be impressed by the recent marginal relaxation in industrial development certificate controls announced by the Department of the Environment.

If planning controls can be streamlined and updated, if industrial building design itself as well as construction components can be more readily standardised and if construction management can become less reliant on labour intensive trades and attempts to step up productivity, then the yawning gap in output performance between the U.K. and elsewhere can begin to be closed. In the meantime, the potential investor in new buildings will continue to find himself paying more than his overseas counterpart for the same job, despite the competitive market conditions which exist.

Michael Cassell



This 35,000-square-foot unit plus the 10,000 square feet of offices at Telford New Town was built by Eton Corporation, the Yale lock company, in 1970, on an 80-year ground lease now standing at £12,000 a year. It has just been sold, with an IDC and a change of use, back to the industrial status it originally had, granted very quickly, to a European wine company for a bottling plant and warehouse. The price was around £350,000. Agents were Mellersh and Harding for the buyers, Healey and Baker for Eton.

Rents

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The figures do not, however, tally with those from specialist industrial developers and investors who have concentrated on favoured regions. Percy Bilton, which has made a habit of issuing the rental figures on its developments, now shows growth of around 145 per cent. between 1970 and to-day on its properties in the South East, and this in spite of a slightly falling trend admitted between 1975 and 1976. Such figures are confirmed both by agents and institutions.

The revenue increases already shown by the quoted groups specialising in industrial property, and their forecasts of reversionary increases over the next few years, indicate that from its low base, the rental value of well located factory and warehouse space in the South and South East, parts of the North East and Scotland, and in other locations where motorway access is the key, has been climbing steeply.

Since this is the sector where industrial recession shows through very directly in demand, it was only in heavy industry areas like the Midlands that there was much weakness in rents before the second quarter of last year. In other areas, with Britain going late into the recessionary cycle, the real resistance in rent levels lasted little more than a year before the recent upturn in demand began to balance the market more evenly.

There are quite widely conflicting views on the extent of this demand. The pick-up first developed, as expected, in smaller units and the premium that units of 5,000 sq. ft. and under have attracted in some areas has been marked. But the big lettings, or more usually pre-lettings, are still scarce. Industrial departments, like their office counterparts, are finding that the level of inquiries translated into lettings is still low. It is the major companies which, despite some more hopeful evidence from surveys of investment intentions, still appear to be holding off expansion plans.

The result is that, in London for instance, the huge amount of space on the market is still keeping normal rent levels on reasonable modern premises down to little more than £1 a sq. ft. And through most parts of the South East it is still possible to find single-storey space for as little as 75p a sq. ft.

It is only the better located space which is fetching £1.50 to £2 a square foot in the Greater London area or £1.30 to £1.60 elsewhere in the South East. The extent by which the odd development can beat the norm is illustrated by the Westminster Bunting estate at Coulsdon, Surrey, where pre-lets at more than £2 a square foot on 14,000 sq. ft. and 20,000 sq. ft. units have been achieved.

The trend has been similar in several regional centres. Favoured estates in South Leeds are commanding a large premium over those elsewhere in the district with rents up to around £1.25 even on quite large units. In Manchester some similar levels have been achieved. The West Country has been another area to show resilience, with warehousing rents in Bristol at £1.25 a square foot or more, while Southampton shows levels of £1.30 plus, with a particular demand reported for small units. Edinburgh is another centre where good refurbished or new space is fetching well above the norm at £1.50 or more.

In these favoured areas, the position would now seem to be that, despite the rash of industrial development when non-specialist companies came briefly into the field during the last boom, the supply of the best modern space is again quite low. From the exceptionally low demand of most of last year, any real follow through in lettings over the next half year could have quite a sharp impact on rents.

It will need to in order to cover the increased cost of new developments, even allowing for a slow down in building cost inflation from around 1½ per cent. a month to 1 per cent., and granted that some sites have been purchased cheaply over the past two years.

History, however, is on the side of the developers in that rentals would be going against the pattern of the last decade if they did not quite soon resume their steady, if unspectacular upward movement. Given that industrial rents represent a much lower proportion of turnover for the tenant than office rents do to most users, industrial managers are usually much less concerned about paying even 20p a square foot more than they expected for their space than about speedy availability.

The number of companies prepared to wait for a purpose-built unit is not large. There is a tendency to leave consideration of premises to quite late in the investment strategy. This, plus the scarcity value of modern speculative space created in the hiatus of the last two years, might result in sheer cost inflation, plus some sharp demand in favoured areas, pushing industrial rents up quite quickly during 1977.

Quentin Guirdham

Inner cities in distress

THE NEW CONCERN over the plight of the inner cities, expressed most forcibly by Mr. Peter Shore, Environment Secretary, in a policy speech in Manchester three weeks ago, might have become a political priority at any time in the last decade. It should, with hindsight, have done so even longer ago, at least as far back as the New Town policy.

The extent to which the New Towns have contributed to the problems may be exaggerated by the current wave of inner city propagandists, but the roots of the cities' problems were already well established when this bit of policy was introduced. It was the inner city slums which were going to suffer, rather than the prosperous suburbs, if their more enterprising members, both companies and individuals, were drawn away.

But this is not a problem which can be narrowed down even to the post-war period, or one where single factors, such as what may prove to be the immense social damage done by the high-rise vogue in municipal housing, can be tackled in isolation. The central areas of cities like Liverpool and London have been losing population for a full century.

For almost as long as that, it has been clear that the majority of those who were left to live between the growing number of offices and the usually static quantity of ageing factories, would move further down the economic and social ladders. "The dispersal of the city," as W. Harvey Cox has written in *Cities: The Public Dimension*, "is a process which involves, as it has always done, questions of poverty and power and privilege." If one wanted further evidence, then the United States, *with the declining cores of its* cities turning into ghettoes, provided it.

Problem

That the distress of the inner cities has now raised some fresh public interest may in part be due to political accident. Both Mr. John Silkin, the former Minister for Planning and Local Government, and Mr. Peter Shore, present Environment Secretary, are MPs in the most politically vocal of the problem areas, East London. However, although Labour pressure groups have clearly had the best access to lobby Ministers on the issue, it *is* one in which the Opposition has also expressed an interest. The Conservative group on the Greater London Council has pledged itself to go ahead with a Docklands rescue should it gain power, and, referring to the national issue, Mr. Peter Walker has called the inner cities the country's "most serious social problem."

The reason for most of this political heat is that the long-standing social problems of the cities have, in the present recession, been unusually closely linked with unemployment. The decline of their traditional industries — in some cases masked by a brief period of prosperity for dockworkers—has long been one of the major causes of the cities' social problems. But the present recession has illustrated that the employment patterns within Britain are changing so as to put the inner cities at an even larger disadvantage.

Briefly, unemployment has increased less fast in the assisted areas than in the rest of the country. There no longer seems any proven case for thinking that the assisted areas will be the centres of high unemployment in the future. *And Britain* now appears to have entered a period when, despite some cyclical swings, the level of unemployment will remain consistently well above the half-million mark which was regarded as the danger mark in the 1950s and early 1960s.

But what, in the form of financial or planning incentives, can now be done to reverse the trend of history and return industry to the large numbers of unemployed, often with a higher than average proportion of skilled men included, who are left in the inner cities?

Speech

The relaxation of Industrial Development Certificate limits, to 15,000 square feet for all areas bar the south east where the limit is 12,500 square feet, was one step forward, though not as directly aimed at the problems of cities as this year's replacement IDC regulations. But the bigger breakthrough came when Mr. Shore relaxed the restrictions on London boroughs advertising the commercial and industrial advantages of Docklands and also said that in future IDCs for Docklands would "wherever possible" be given the same priority as those in the new and expanded towns in the *south east (that is, they would* be granted virtually automatically).

In his Manchester speech, the Environment Secretary said that these new liberties for Docklands were "one example of how *we might flexibly adapt* the existing system to swing the balance back in favour of the inner areas." So at some point this autumn it may be expected that other inner city problem areas within the IDC belt will be formally granted similar help.

Mr. Shore said much else in his speech which could be taken as an encouragement to those who have felt that planning restrictions, as much as a deliberate shift of industry's major capital investments to green field sites for reasons of efficiency, have cut manufacturing industry *employment in the* cities.

"If the pollution and noise from industrial users in residenial areas can be cut down to a reasonable level it is surely better to have an operating facory or workshop at the end of one's street than an empty or derelict one," was one remark, and he made the most valid observaion that "the intrusion of such plant may be a price worth paying—and industrial plants are by no means the only ugly buildings in residenial areas, as those who live near tower blocks or office blocks know only too well."

One specific mentioned by Mr. Shore was a criticism of zoning policies: "We certainly need to reassess the advantage in trying to squeeze out non-conforming users." He also said that the Government had to consider "whether the incentives to industrial location could not be better tuned to assist the inner area, without disturbing regional policy."

What Mr. Shore means precisely by this is anyone's guess at present. With more than 45 per cent. of the population already living in assisted areas, adding the centres of major cities to the roll would produce a situation where more than half the counrty was qualifying for special industrial help. And whatever flesh the Environment Secretary intends to put on the *bones* of his Manchester speech — which was possibly more in the nature of outline thought than the firm commitment which some took it to be — the renovation and rebuilding of derelict city factory sites will be overwhelmingly the job of the private sector.

Whether it wants it is doubtful. With the encouragement of local authorities, such as in the proposed London Industrial Park, a few private developers are prepared to try to ... new estates in such ... (though the real test for Docklands will come with attempts to develop the proposed industrial areas closer to the centre of London). But evidence that industry wishes to return to such areas will be needed before a substantial level of private funds can be expected.

Cuts

Improvements in communications are, in most cases, ... essential in which government aid will be needed at a time when expenditure cuts ... planners' priorities such as the River Line underground impossible for government to finance. The hard facts are that Mr. Shore's commitment to the inner cities is likely to stop well short of the most necessary ingredient of money, and money on a massive scale.

When the new levels of ... support are cast up at the end of the year, the present ... to concentrate on urban areas may be pushed further towards helping the inner cities, but ... is as much as they can reasonably expect in the present climate. For the moment, while grave social problem deteriorates, the trend of industrial property development with the possibility that it could aid employment in such areas, is likely to be much affected by political gestures.

Institutions compete

THE DEBATE on whether the traditional two or two and a half per cent. between what institutions are prepared to buy commercial and industrial properties has been a feature of the summer. It was publicised by a report from Richard Ellis (who thought the gap too great) and several industrial developers renewed their claims something more like parity at take-out. There were also enough people around to remember a gap of four per cent. who thought things had gone far enough. Whatever the points on either side, which are discussed elsewhere in this survey, there has been no hiding the appetite of institutions for prime industrial investments.

The best illustration of this has been their willingness to return to the funding market and to undertake their own developments often, in the case of pension funds, for the first time.

The decision to do so is directly related to both the yields debate and the shortage of what they saw as prime investments. But there is some evidence also that the competition for what investments were on the market was also influenced by a decision of some funds to try to step up the proportion of industrial properties in their portfolios.

A balance where less than a quarter of a fund is in industrials probably owes something to history. Going back ten or 15 years the best covenants were owner-occupiers. There may, as it happens, be a present trend back to owner-occupation as potential tenants, as well as investors, see the point of property as a hedge against a doubtful currency. But the main trend of business financing has been the other way, with companies not wanting to tie up money in land and buildings, or even in machinery for that matter, so that quality of covenant which institutions have been able to find in industrial investments has improved. The growth of the public sector has also meant that government, local and national, has become a more common tenant in factories and warehouses as well as offices.

Trend

Such a long-term trend also takes a long time to show through in the opportunities open to an investment portfolio. But those of the major property investors are now filled with the sort of major public companies which a decade back would have been owning the bulk of their regional warehousing facilities and ancillary manufacturing plants as well as their larger factories.

In stepping up the proportion of industrials in their portfolios, the institutions have had to weigh the advantages of such covenants against the intrinsic value of the properties. Even the greatest enthusiasts of industrial investment would admit that tenants can come and go more easily than with offices.

This may not much influence investments in smaller units, but it is certainly significant on anything over 40,000 square feet. And at 80,000 square feet, even the best covenant stops influencing many funds. To the chances of a large chunk of void space are added the difficulties of proving the worth of such buildings, particularly if they have some sort of specialist use, at rent review time.

Other institutions are prepared to take chances on larger units, trusting to covenant and to the greater flexibility that industrials offer over commercial properties in selling to tenants if the investment goes sour. But equally there are funds prepared to specify a limit of no more than 5,000 or 10,000 square feet.

They will get slightly higher rents per square foot and the downside risk on voids is arguably lower in this bracket than on the 20,000 square feet unit often regarded as the investment classic. Against that, small covenants are slow payers, but at 5,000 square feet (certainly at 8,000) it is often possible to fill more than half an estate with the local distribution depots on top covenants and take a reasonable chance on the remaining space.

This year's investment deals at the keenest yields, including the odd case at below 8 per cent., have covered a fair spread of unit size. That yields did not drop any further, having come down at least a point within little more than a year, was not due to any diminishing in interest in industrial properties. It stemmed much more from the rise in money rates, and with a Gilt now issued at over 15 per cent., that position is unlikely to change. This can only diminish, if anything, the supply of investments.

In the search for fresh avenues, the margin on forward sale agreements, for something to be completed within a year, has come down to about a year. There has also been forward finance upon the security of the covenants of proven developers

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Developers return with caution

"Suddenly industrial properties aren't worth what they were, say you would automatically quote £1.50 or £1.80 on a building. They're worth no more than you can get and everyone's arguing with anything you say." This lament, from an agent letting warehouse units round London, makes a curious comment on a market which appears, in comparison with many other sectors of property, to be fairly healthy. One reason, he thought, apart from the general nervousness caused by the pound, was increased development activity. After a period when very few speculative schemes were going ahead, suddenly potential tenants were realising that they had a bigger choice. Not just properties which had been on the market some time, but a whole range of new units, maybe not finished yet, but ready in the next six months.

This represents a very localised view, and other agents would not confirm it. But the sterling crisis, with its consequent effect on letting activity, does threaten to put off still further the day developers have looked forward to, when demand picks up.

It would be ironic if even the trickle of developments at present nearing completion, and it is much more a trickle than a flood, were enough to shake rental values and start a one-sided buyer's market. On balance, it seems unlikely. But some evidence of resistance to upwards-only review clauses, plus the granting of leases where the landlords are paying a share of insurance or services, are signs of how difficult it may be for some of the new wave of developments to meet their projected rentals without giving something else away.

Schemes

The first signs of a significant return of interest in industrial property development came at the end of last year. By the middle of this, there were already experienced developers claiming that site prices were too high. It was a quick change from a position where on many existing schemes site value appeared to have dropped to a negative.

The specialist industrial developers were, although most had uncompleted estates, among those confident enough to purchase new sites or occasionally half-completed ones from failed companies. And the contractor-developers also came into the market, instances being Trafalgar House with £4m. to £5m. spent on site purchases, implying an eventual investment near £20m., and Laing starting five new schemes, including one at Chelmsford estimated to cost £3m.

Many of these new projects have involved the calculation that mid-1977 will see the start of an industrial revival. That date also happened to fit in neatly with many developers' preference for starting building work after the appointed day for Development Land Tax at the beginning of August.

While man yare determined to build as little as possible speculatively, it is necessary to let one or two speculative units and get the estate operational before any but the best sites can start drawing in tenants needing purpose-built pre-let space.

Apart from those developers who can finance from their own resources (Laing, one of those doing this, is disenchanted by the present style of leaseback funding), the spurt of development activity has been made possible by the return of availability of building finance.

With full financing, institutions are back in the market with a gap over their normal investment yields of 1½ or 2 per cent. on pre-lets and a gap of around 3 per cent. at 11 per cent. on favoured speculative schemes. The ability to raise money on existing properties has improved, though industrial mortgage rates will not appeal to many. And, with the construction industry in its present condition, a great deal of builder finance is available to developers—the sort of arrangement being that a company with a two-acre site, perhaps worth £100,000 will join with a builder who projects around £8 a square foot and the two will share any profit on the sale of the investment, with the builder getting the slightly larger share.

Partnership

In such a case the partnership may not involve the builder agreeing to a fixed-price contract, since any over-run will be against his final interest. The common agreement is simply that the construction is done at cost. That was the agreement between Bowater and Flaxyard Construction on the development of the former's spare ground by the Beautility works at Romford, Essex, where the first 39,000 square feet was let to Littlewoods and Debenhams and sold to Hambro Life for £615,000 on an initial yield of barely 8 per cent.

On the public company side, there has also been finance available from the Stock Market — Haslemere's Rights issue was largely earmarked for its industrial developments—while Brixton and EPIC did funding deals with the Royal in return for equity options. Slough, similarly, did a Rights issue in addition to its FFI loan, and these fund-raisings of last year are now showing up in development work.

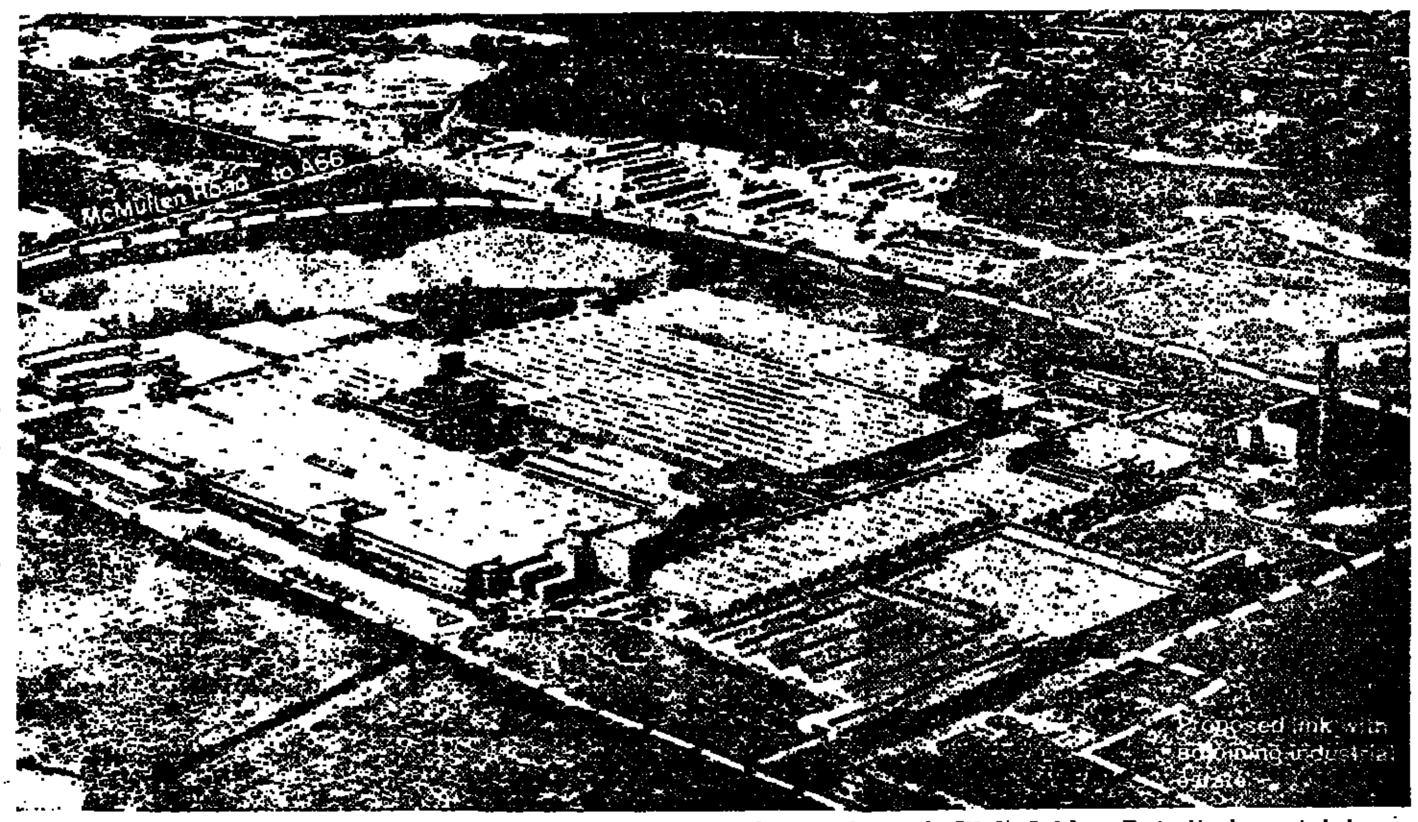
Most recently, on the public company side, Percy Bilton issued 1.95m. new shares, worth £2.5m. and at a discount of around 8 per cent. on the previous night's price, to acquire from Lamson Industries 35 acres at Uxbridge. With Lamson placing the shares with institutions, this incorporated the advantages of eventually widening the marketability of Bilton shares with a neat funding of the property proposition, plus Treasury permission to raise the dividend. Bilton could be said to be effectively financing the purchase at little more than 6 per cent., with the dividends on the new shares it issues covered by the £146,000 a year rentals from the factory Lamson is leasing back.

Very few companies are in a position to get any worthwhile placings of shares done in the present Stock Market (Bilton's strong cash position perhaps rating as highly as its continued development record — another 250,000 square feet of lettings were recently announced) but what equity investors there are appear to favour the industrial developers before any but the bid speculations among predominantly office portfolios.

It is too soon after the most recent sterling crisis to say yet whether competion for well-located freehold accepted land will diminish among industrial developers. It is probable that we saw the period of greatest competition earlier in the year and that, with substantial investment already riding on an industrial recovery next year, a wait and see policy will be adopted.

But industrial developers have certainly recovered much of the confidence of previous years. If it should prove that they are currently over-building, it will be a sign of a very sick industrial economy.

Q.G.



Patons and Baldwins' Darlington plant, totalling 1.8m. square feet, was a post-war "super factory," built between 1947 and 1952 to take the Patons production out of several multi-storey woollen mills and put all production processes, from the fleece to the finished dyed knitting wool, on one site. Now, with Patons' development of synthetic fibres, the Coats Patons group sees the best answer to the complexity of new production techniques in a number of smaller self-contained units in Alloa, Greenock and Wakefield. But it is retaining 800,000 square feet of warehousing and the Patons and Baldwins head offices (to the bottom left in this picture) while trying to let the other 1m. square feet. One feature is the site's own boilers, producing electricity and heating steam. So far British Steel Corporation has taken 85.000 square feet of warehousing. The rent quoted on a 506.000-square-foot unit is £304.000. Agents are A. J. Hincs and Co. and Sanderson Townend and Gilbert.

Institutions

CONTINUED FROM PREVIOUS PAGE

for speculative schemes. The rate here has been about 11 per cent., with sharing arrangements made in respect of any income achieved over current rentals and sometimes arrangements to cover any escalation in costs over the development period.

One of the biggest pre-sales was that of the Lowfield Heath Distribution Centre near Gatwick Airport where 200,000 sq. ft. is planned and the investment package of an anticipated £4m. was taken up by fund clients of Jones Lang Wootton. But there have been many smaller investments and partnership agreements such as that between the Coal Industree Nominees and Sir Robert McAlpine and Sons on the Hayes Industrial Park.

Feature

The institutions have also made a feature lately of taking over in their entirety developments which have only been half-completed by failed companies. And Electricity Supply Nominees are undertaking a number of their own developments, including 50,000 sq. ft. at Sunbury Cross, 47,000 sq. ft. at Southend. 61,000 sq. ft. already completed at Cumberland Avenue Estate, Park Royal, and a proposed 265,000 sq. ft. at Merton Park.

How much further the funds follow the experienced insurance company subsidiaries into *the direct development field* will be interesting. Apart from market considerations, there may be a natural leaning for them to win their spurs in industrial schemes. They are, for a start, simpler than offices or shops. They risk less money in one scheme. And industrial developments are more politically acceptable, in the sense that they can be said to be helping to create jobs, at a time when no one knows quite what the effect will be if unions press their stated intention to get 50 per cent. representation among the trustees of pension funds.

Q.G.

Widespread dislike of taxation reforms

MODERN PARLIAMENTARY concepts of taxing betterment on land and property started with Lloyd George but it is only since the Second World War that successive British Governments have really got to grips with the subject. It can be fairly said that in the past three years the bureacratic process has made up considerably for earlier lost time.

Until 1973 profits made from the development of land or property were taxed under capital gains tax processes. These varied according to a given set of reliefs some of which—against the background of the considerable boom in property values during the late 1960's and early 1970's—began to look like loopholes. At the time most property men would have grudgingly agreed that some level of taxation reform was overdue in their industry. But few could have foreseen the consequences of what, at present, looks to be an extreme case of reforming zeal on the part of the authorities.

In December 1973 the Development Gains and First Letting Tax came into effect as a temporary measure ahead of the Development Land Tax. This tax became operative on August 1 this year and is part of the Government's intention to introduce the working of the Community Land Act—which had its first appointed day on April 6—over the next decade or so. Between them these two innovations have dealt a considerable blow to the property industry, helping to set back the recovery in both values and building and development activity.

A year ago the chairman of housebuilder and property developer Barratt Developments told his shareholders that "it is impossible to begin to comprehend the damage being inflicted on this industry by the present Government's hasty and ill-considered actions . . ." And in April this year the chairman of Slough Estates wrote (in his annual report to shareholders) that "the whole of the property sector is adversely affected by the uncertainty created by the U.K. Government's policy towards land ownership and the taxation of developing value."

As it stands at present the new Development Land Tax is simply an interim measure designed to hold the fort until the present Government's ultimate solution—the Community Land Act—gets fully into its stride. The Community Land Act will impose on local authorities the duty to acquire at existing use prices nearly all land needed for development. Ultimately the effect would be to tax development gains at 100 per cent. enabling "the community to control the development of land and to restore to it the increase in the value of land arising from its (the community's) efforts." Viewed from any angle this sort of tax looks a heavy burden. Meantime, the current rate under the Development Land Tax is only slightly less damaging at 80 per cent.

Reduced

Under the new tax, land with a development value of up to £100,000 is exempt while the next £150,000 above that will, until the early part of 1979, bear a reduced rate of 66⅔ per cent. The full 80 per cent. rate will apply to all values above £160,000. The principle of the tax is that it will be charged on any development gains which in effect are the amount received from the sale of development land minus its base purchase value. On any particular project the development gain is made by reference to three factors.

The first of these (Base value A) is the most complicated. It amounts to the cost of the land plus the cost of any improvements enhancing its development value: If the land was acquired after April 1965 an amount by which the current use value at disposal exceeds current use value on acquisition is added to the base value; if land is acquired before May 1977 there is also a special addition of up to 40 per cent. of the cost of the land, or 60 per cent. if the land was purchased before September 1974.

Base value B is in effect the aggregate of 110 per cent. of the current use value at the date of disposal plus the cost of relevant improvements. Finally, Base value C is made up of 110 per cent. of the aggregate of the purchase cost and cost of improvements together with expenditure on all such improvements.

Thus the all-important base value of a particular piece of land depends on its recent history. Two adjacent and otherwise similar parcels of land could hold widely differing values. In general—and this must remain a very rule of thumb approach—plots of land sold in the period 1967 to 1972 will tend to have high base values. So in the short term at least developers' fears over the new legislation may be overdone. However, property development in many fields remains unattractive. Building cost increases have tended to moderate this year but there is still far too much empty building space available.

In many areas rental levels have dropped and the incidence of high rateable values on occupiers has added to the lack of confidence in property development, especially industrial development. At the same time it now looks as if the economic recovery experienced for most of this year is starting to slow down. Measurement of this in the U.K. is complicated by the low base from which our business activity is recovering, but the signs are very clear indeed among the major economies of the world. All this is not easing the predicament of the institutional property investor.

Institutional investors who bought at the high prices and low investment yields prevailing during the boom years for property have found that rents have not risen fast enough to justify yield structures. In recent months the weakness of rents has tended to stabilise and in certain area some recovery has taken place against a background of a gradual upturn in activity. But the yield levels anticipated by the optimists and the buyers of property late in the last cyclical upswing for values has not been realised.

At this stage it looks as if it will take a long time for the industrial property market to regain its former poise. Pro[...] analysts of every variety [...] produced figures which de[...] strate that land outside [...] has virtually no value [...] some cases even a ne[...] value. So land value[...] general were depressed [...] the Community Land Act [...] with it the Land Develop[...] Tax) came into being. Ye[...] Act has not eased the un[...] tainty of the market place[...] one of its more impor[...] features is that it disturb[...] very asset base upon w[...] many development projec[...] founded.

Until now development [...] prior to the start of constru[...] work has been considered [...] security. In the event [...] default a bank (or other len[...] institution) could foreclos[...] the asset and dispose of [...] the open market. Under [...] Community Land Act [...] security of the land itself [...] asset backing for loans [...] removed. This power (and [...] duty) to take land into [...] ownership is clearly in c[...] with a lending institu[...] interest in land as a secur[...]

The base value of a spe[...] property is, of course, avail[...] as security. But until now [...] developer's list of finan[...] priorities has always be[...] headed by an agreement [...] money to be lent on the ba[...] of development value.

Jeffrey Bro[...]

Foreign activity tails off

UP UNTIL the late 1960s, there was a thriving industrial mortgage business in the U.K. But inflation has changed all that. No one now is prepared to take a view that stretches ahead a quarter of a century on industrial or commercial premises. For those in the U.K. who are actually expanding and building new factories, it is now a question of raising finance in other forms; either through generated cash flow, out of accumulated savings or through bank borrowings. Even more likely, as the attractions of full ownership dim, the company will approach an institution — pension fund, property unit trust, insurance company or whatever—and it is they who will build the factory and the occupier who will lease it.

The alternatives are anyway dictated to some extent by the tax situation. If, for example, it is estimated that the cost of the land and the building amounts to around £100,000 it would be very unlikely. If the company wishing to build that factory could get 100 per cent. finance. A bank may well advance 50 per cent., which would leave the company to dredge up the other £50,000. If the loan was over five years, the company would then have to pay back £10,000 a year in capital, plus the interest. The only tax allowance would be on the interest content and the £10,000 capital repayment would have to be drawn from net earnings.

Suitable

If, on the other hand, the company goes to an institution, and assuming that property is suitable, it is quite probable that the institution would not lend the cash, but would buy the property for £100,000 and lease it back to the company. The rental, whatever it works out to be, could be fully offset against tax and any capital would be left intact. The only real exposure is that the payments are bound to rise when the reviews come up.

However, on the other side of the English Channel, where, for the majority, inflation has been a less painful affair, the mortgage business lives on. There are other factors involved, too. One being that the attitude and approach are different; ownership still means a great deal, whereas here we have grown accustomed to renting or leasing. Ownership in the U.K. is nowadays more or less confined to specialist, custom-built industrial property where the average institution would probably not be interested.

Even where there is leasing on the Continent it often takes a different form. It resembles more a type of hire purchase contract—certainly in France and Belgium—where ownership ultimately passes into the hands of the lessee; usually with one final payment that buys the freehold. With such an arrangement there are fairly strict rules that attach. For example, one typical ruling—depending on which country, because there are mild variations—would be that if the occupiers of the building changed within, say, ten years, the hirer would forfeit all the past write-offs.

In France and Belgium, the local tax laws also favour this system. Whether a lessee or mortgagee the company is able to set off both the interest and the part repayment of capital against tax. Here, of course, even assuming that it would be possible to obtain a mortgage, only the interest portion of the payments would be allowable against tax.

There is a certain amount of selling of premises to local institutions on the Continent, but on nothing like the scale that exists in the U.K. where any new multi-purpose factory would almost certainly involve some form of institutional finance. Belgium, France, Holland and Germany all have institutions active in this area.

Consortium

In France, there is the we[...] known SYCOMI system, where [...] consortium of institutions, [...] even possibly a single institu[...] tion, sets up a special vehicle [...] finance the building of [...] property.

Again, there is a helping han[...] from the authorities, particula[...] in France. Provided that most [...] the income is passed on to t[...] participants, they receive t[...] funds exempt from taxation[...]

Many of the U.K. develope[...] who made forays into Con[...] tinental property have al[...] approached SYCOMI for the[...] finance. Others have rais[...] money through local ban[...] Another alternative has been [...] raise the cash in the U.K. a[...] make a back-to-back arrang[...] ment. However, since the e[...] on this side of the Channel h[...] to match up to the equiva[...] amount of currency on the oth[...] side the falling pound h[...] tended to play havoc. It h[...] been a continual drain on t[...] developer, having to keep to[...] ping up his U.K. deposit.

Currency swap arrangement[...] a more sophisticated variatio[...] have been developed to count[...] the currency threat. In so[...] cases there are no inte[...]

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Volatile share market

HEN THE Stock Market took from its low point at the ginning of 1975, it did so matically. From January 1 February 1 that year the F.T. tuaries All-Share index red 63 per cent., and by rch 1 it had doubled. As is ial at the start of a bull mar the financial sector was ll to the fore, and the tuaries Financial index rose 117 per cent. within the ne two months. Included in financial sector are the perty shares and the perty index advanced by 3 per cent.

As the reader will probably aware, the activity in the rket has not been sustained this year, in fact, there ve been substantial falls. The perty sector *has not* been cluded. From its approximate h point this year, the perty index has come back almost 80 per cent., com red with a drop of only 18½ r cent. in the All-Share.

Thus, it can be seen that estors are still far from con ent in shares in general and perty shares in particular. wever, there has been more n one stockbroker's circular tolling the virtues of the lustrial, as opposed to the nmercial, property shares. e first one, from Greene and listed its reasons for recom nding some of the shares in s particular category.

The report made the point it rental levels over the last n years had shown substantial owth and "industrial pro rty has, if anything, shown owth in rents comparable th that of commercial pro rty and in some cases higher owth as well as greater bility."

eflected

Furthermore, the report says, since 1968 there have been mense rises in building costs ich have yet to be reflected lly in rental levels. When increase in industrial tivity improves the supply/ mand relationship for space, rticularly in the case of lustrial property, rental els could rise substantially." It goes on to say that "The ttern of rent reviews has been anging over the years and w review periods of five years *even less are standard.* In cent months property yields ve been falling and are now earing levels lower than at any me since the 1973 high point r the really prime commercial nd industrial property."

The argument has recently een taken up by stockbrokers ickers Da Costa. The report tates that "investment in indus rial property by property in estment and development ompanies has considerable tax dvantages over investing in ffice or shop property."

On the specific topic of shares e author says: "The relative strength of industrial property shares against the (property) sector should continue and although marketability is in some instances a problem, where possible a general portfolio of property shares should be weighted in favour of industrial property companies."

Having said that, the range of property companies specialising in the industrial sector is really quite small. *But over recent years,* when a great many of the companies involved with commercial property have been suffering, the profit performances of the industrial property groups has stood up fairly well.

Percy Bilton, which emerges as one of the favourites — if not the choice selection — has announced that it will raise its dividend following the issue of £2.5m. worth of shares to acquire from Lamson Industries a 35-acre industrial site. It has opted to issue shares for the deal, even though its cash position is strong.

The Vickers da Costa report states that rent reviews due to Bilton between 1976-80 are estimated to be worth £2.5m. or approximately 4.3p per share. This has not been lost on the share price which currently stands in the region of 142p, which represents a decline of only 11 per cent. since the beginning of February.

The profit perfomance since coming to the market four years ago has been exemplary. For the calendar year 1971 pre-tax profits amounted to £1.35m. The latest figures for 1975 were reported as £4.9m.

In share price terms, some of the others have not fared quite so well. Brixton Estates, for example, has slipped back since February 1 this year by something like 27 per cent Estates Property has receded by more than one-third in the market, and Slough Estates, the largest in this corner of the sector, has dropped by almost a quarter. Allnatt has been slightly more resistant with a fall of around 17½ per cent.

But overall the profits performance has not been at all bad—it has certainly been better than the majority of those in the commercial property sector. Allnatt has not had a setback in taxable profits for at least nine years, embracing the worst possible period. For the year ending March 31, 1967, the published pre-tax figure was £930,000. Since then the returns have risen, albeit steadily, and last year's performance showed an advance from £1.7m. in 1974-75 to £2.3m.

Slough Estates, too, has not put a foot wrong in profits terms and from £1.7m., in calendar year 1967, the figure has swollen to £5.3m.; the latter represented a gain of over £1m. over the preceding 12 months.

Brixton Estates has not shone quite so brightly, but the overall trend has at least been on the up. In the last financial year, taxable profits were lifted by 28 per cent.

The companies themselves, while not unanimously bursting with enthusiasm over prospects, have at least been making some hopeful noises. The Allnatt chairman, Mr. Ronald Diggens, went so far as to forecast profits for the current financial year of £2½m., against last year's £2.3m. The Vickers da Costa review pointed out that a recent revaluation of the property portfolio had the effect of raising the company's asset value per share to 151p

The Brixton Estate interim last month was certainly not short of optimism. The statement said that there had been a "definite improvement in the property investment market in 1976, with the yields falling." However, the most encouraging aspect was the fact that substantial rental increases were being negotiated as leases came up for review.

In Vickers' opinion a conservative estimate of the benefits accruing from rent reviews between 1976 and 1981 should amount to £1.8m. and that a hardening of current rents by 10 per cent. could increase this figure to £2.4m.

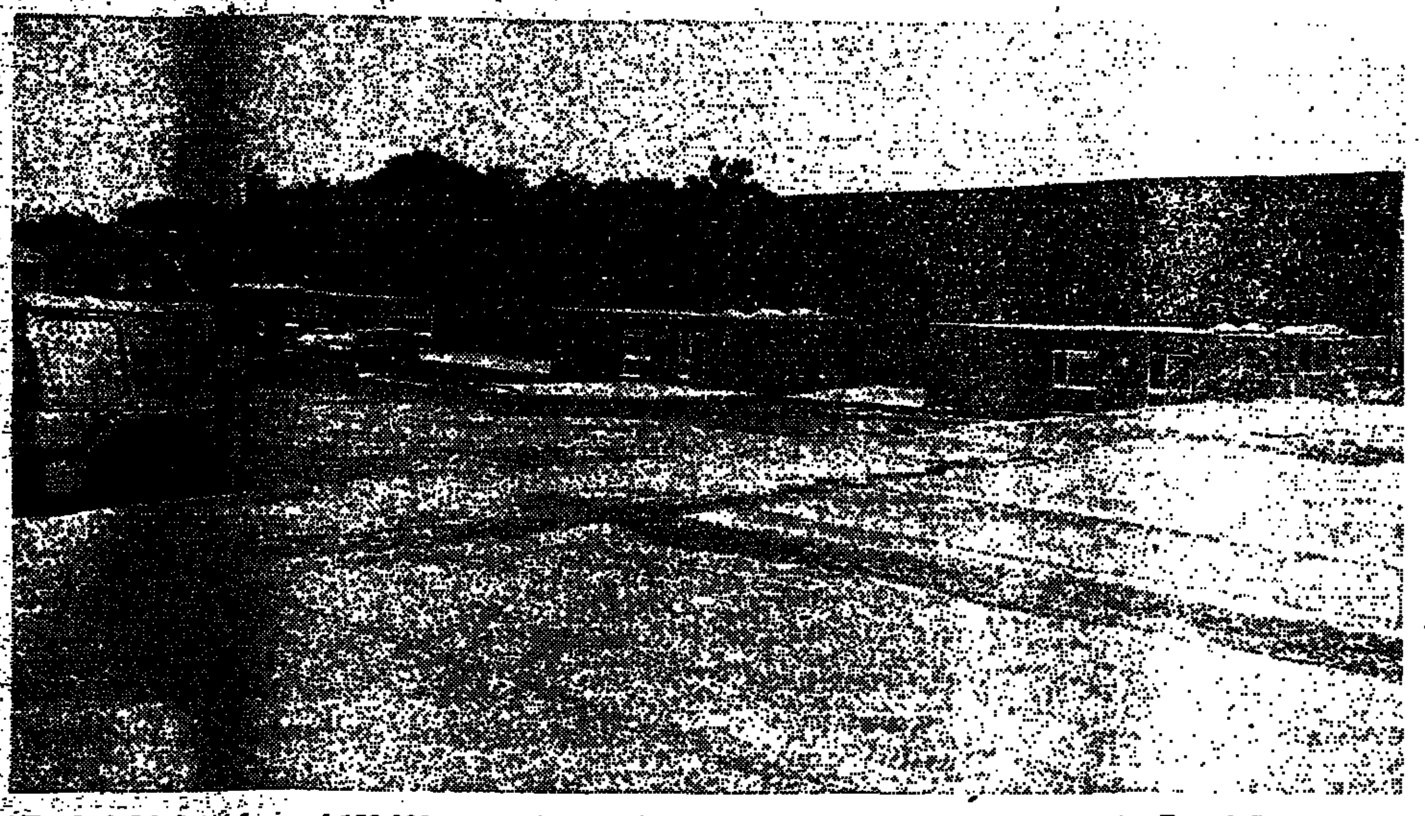
Perhaps the best brokers' comments are reserved for Percy Bilton and Slough Estates. It is *reckoned* that the latter will make something of the order of £6m. in pre-tax profits in the current financial year, which ends on December 31. The interim statement last August, an advance of the review, emphasised that the company was *soundly* based and the directors reaffirmed that some improvement in profits was expected.

Advance

An advance also seems in prospect for Percy Bilton. The chairman, Mr. Percy Bilton, said at the time that profits for the first four months of the current financial year "were satisfactorily in line with the Board's target for the year." He also said that inquiries for industrial warehouse accommodation were showing "promising signs" of a returning confidence among industrialists.

Vickers is of the opinion that the group will benefit from rent reviews to the extent of £2.5m. between 1976-80. The review by Greene and Co., while clearly in advance of the 1976 figures, was effusive with its praise. It described the Bilton management as "dynamic" and stated that the high investment rating was amply justified by the anticipated growth. That con*fidence would appear to have* been justified. And certainly the strength of the share price, relative to the sector, has recognised this.

Keith Lewis



Part of the first phase of 150,000 square feet on the Arden Industrial Estate, Birmingham, developed by Ariel Developments on the site of a former British Leyland plant. Further phases are planned to a maximum 500,000 square feet. E and S. Dunn, a cash and carry group, have taken a 46,000-square-foot unit where the asking rent was £1.10 a square foot. Agents for the estate are F. J. Pepper and Sons, and Gooch and Wagstaff.

Foreign

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mediaries; the developer merely agrees to pay a certain sum of money at some pre-*determined time* in the future.

The final possibility is to go through the investment dollar premium market to export the funds. But, then, that would probably not be a particularly popular move at the moment.

The activities of the U.K. institutions in foreign investment and development property has failed off in recent times. The developers, too, are less active. Indeed, a great many of the U.K. institutions are more likely to be trying to extricate themselves from their present commitments, rather than enter into any new ones. But as usual, there were deals that were properly put together and those that were not; the latter tending to occur either because the move was too late and the project was too expensive in the light of the subsequent *falls in* capital values, or the currency fluctuations turned the financing arrangements sour. Those *that got in early enough and* made sensible financing arrangements are probably still quite content.

Attractions

For the time being at *least,* the investors/developers seem to have largely abandoned the French, Belgian and Spanish property markets, while there is still some activity in Germany and Holland and, outside Europe, in the United States.

The attractions of the higher yields available on industrial property have not been lost on the tax exempt property unit trusts, in the U.K. which cater for the requirements of the pension funds and charities.

Keith Lewis

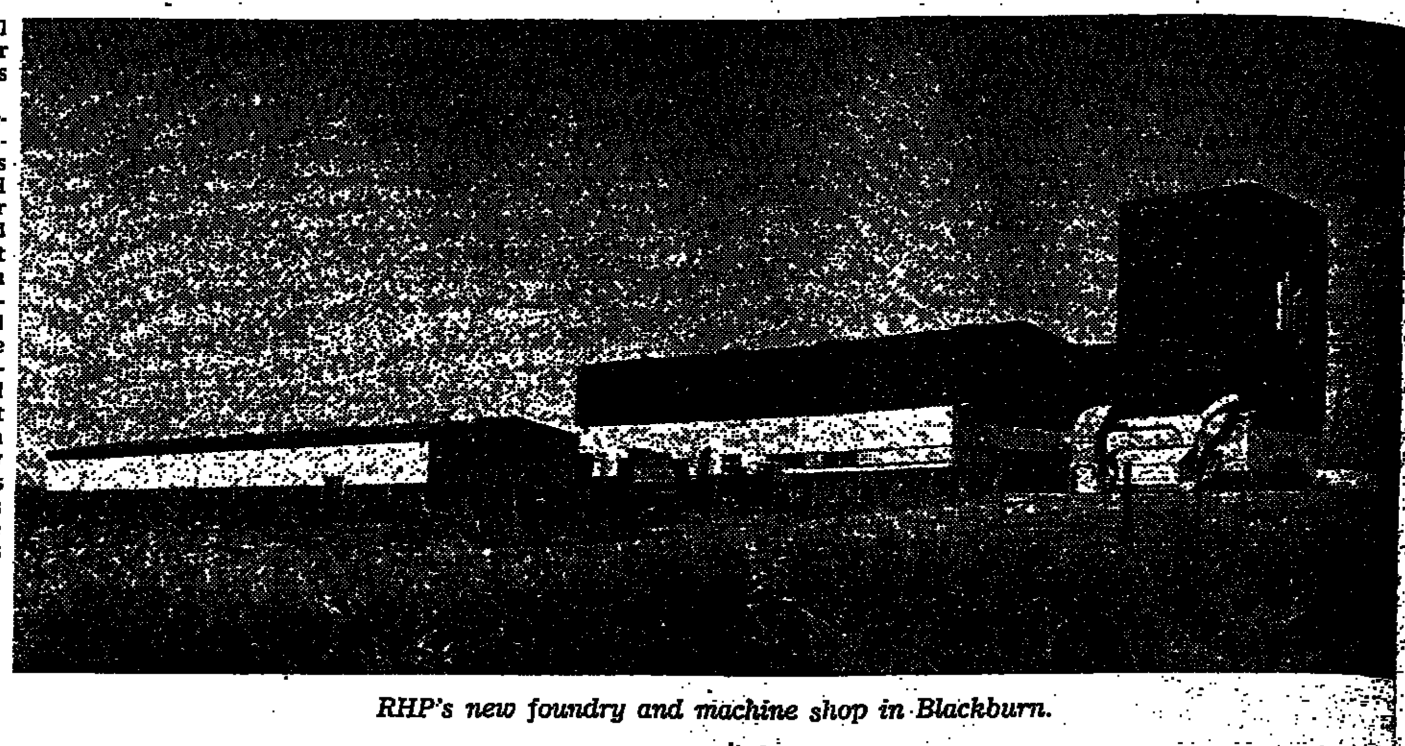
INDUSTRIAL PROPERTY X

The dark ages linger on . . .

INDUSTRY DOES not have to be ugly and destructive to the environment. Historically it has been. Dark satanic mills sums up the image of Victorian industry: dark gloomy interiors, sweated labour, poor working conditions. Externally dark overpowering buildings, slag heaps, waste dumps, scars on the landscape. Crowded unsanitary houses huddled near the works, smothered with soot, smoke, and other air pollution.

The legacy of the past dies hard, both in the memory, and in reality, for too much evidence of old industry is still around. Too much of industry hangs on in old buildings ill-suited to modern use, with surroundings little better in some places after a century of misuse. A walk round some of the old industrial areas of London, Birmingham or other British cities proves this point beyond dispute.

Industry was a direct reflection of its times. Ruthless competition and maximised profits were the order of the day at all levels in society. The need for man to live by more than bread alone is a realisation that dawned only gradually on society generally and industrialists in particular. The need to create the best possible physical environment both inside and around factories and industrial plants is now almost universally accepted. Yet in practice, apart from a relatively few notable examples, standards of design in industry still leaves too much to be desired. The need for the highest standards of design creating the best environment possible is still accepted reluctantly within industry.



RHP's new foundry and machine shop in Blackburn.

Planning control has existed for over a quarter of a century, controlling the quality of visual design, defining areas suitable for particular types of industry and separating housing and other facilities. It also defines development areas to which industry was to be enticed, encouraged or bullied, and other areas where it was to be discouraged or even driven out. These policies which are now increasingly under question, particularly as older industrial towns and cities come under increasing pressure from employment loss and the impending breakdown of some of the basic community services that make city life worthwhile. In this context industrial development policy is at a crossroads, and recent Governmental statements indicate the new direction politicians think it should take—the opposite to what they have been saying for the last two decades.

Uncertainty

Where there is less uncertainty is the growing demand from all levels of industry that it must create an acceptable environment for its own workers, and for those who have to see it, from near or afar. No longer can industrialists get away with just anything either in the interests of economy and maximum profits, or because they just do not think. The pressure for industry to go out positively to achieve highest standards of facilities, design, layout and landscaping is evident from some large projects over recent years, such as the John Player Factory at Nottingham, IBM at Cosham, the Cummings Factory at Darlington and the series of buildings the Gas Board have developed for conversion to North Sea gas. These, and others, are excellent examples of industrial developments that go out of their way to create first class environments for their workers and add to the landscape rather than detract from it.

There is perhaps no better example of changed attitudes than the National Coal Board. This is an industry that historically reflects the image of the dark satanic mills. Much has been done since nationalisation to change that and very considerable improvements have been made despite the fact that coal mining cannot choose its location—nature does that—and that it is inevitably a large scale obtrusive operation. In their new projected mines the Coal Board has made it clear that getting away from the old mining image is vital, and is the starting point of the brief to its engineers and architects involved. Careful siting, screening, landscaping and sensitive design of buildings is the order of the day. While large scale industry will inevitably bring changes to an area, it does not follow that it need be ruinous or on balance detrimental. With little cost, and a lot of care and thought the new can be as good or better than the familiar scene it has changed or replaced.

Whereas mines and similar mineral extractions present little choice in their location, for industry generally many of the historical constraints of location have largely disappeared. The ease of transportation gives maximum flexibility in location, factories needing less to be placed close to their material supplies and potential markets than even before. The only doubt revolves around the current debate on road transport, which has become the key to virtually all industrial development, and rail, which was the traditional sinew around which industry developed but which in recent years has declined in importance in its influence on location. Historically a rail link or siding was vital to all types of industry. If political pressures to switch, by means of inducements or taxation, goods from road to rail are successful, rail may take on a greater importance again. Yet what is virtually certain is that the economy cannot afford the enormous expenditure involved in rebuilding the rail network to be able to serve the fragmented nature of industry as it is to-day.

If greater flexibility flows from improved transportation and communications there has been less flexibility in obtaining labour for new industrial developments. The principle of industry moving to the available labour markets rather than the reverse has become firmly established since the war and is now belatedly being questioned. What is now very obvious are the areas of empty industrial buildings and cleared sites in the centre or near centres of many of the traditional industrial towns and cities, where desolation replaces what were live communities—even if their physical surroundings did leave a lot to be desired.

The current economic situation indicates that there will be strong pressures to return industry on a large scale to the city centres by both large and small operators, as well as further development in new towns and development areas.

In the short term there will certainly be a much wider choice of location available to intending industrial developers. Local authorities will be wooing the developers and the current squabble as to whether Toyota should go to Bristol or Liverpool is a classic example of this situation. With unemployment at such a high level availability of labour is unlikely to present many problems in the short term, although what will happen when boom conditions return, assuming they do, needs careful thought.

Expansion

For the industrial developer, as distinct from the operator, good times are perhaps around the corner. While it is the one sector of the commercial development industry that has not virtually completely closed down over the past few years, when the economy starts real expansion again, demand for industrial space could rapidly outstrip availability, creating the syndrome of rising rents that has been seen so often in the past.

One area is, however, unilkely to be easier. These are the pressures of the environmental lobbies, who are now involved in virtually every development. All proposals affect someone and that person or those people are bound to follow the fashion of joining together to defend the existing situation, sometimes blindly and unreasonably, but often with a good case. Everyone wants factories—few want them in their back garden. It is essential that industrialists select the best architects available for their buildings and the surrounding, sensitive to good design and detailing, creating buildings and their surroundings that meet in advance the reasonable requirements of local people likely to be affected by the proposal. For this reason, if no other, the architects must not be seen as cosmetic appendages to the engineering process but an integral part of the design team appointed at the outset to create the best possible environment for both workers and watchers, and not just to appease the planners and the environmental opposition groups. Good architecture, good design and bright interesting interiors create a feeling that is conducive to good work, and a place to be rather than a place to get out of as quickly as possible. Good design should not cost much—if any more—than indifferent poor design. Indeed it may well be cheaper, but in any event the returns it can bring will be very much greater than any cost.

But having done all that, it is for the industrialist to ensure that the high design and environmental standards, created by the architects, are maintained and the factory or plant is not allowed to slide back, so that in a few years it becomes another dark satanic mill.

Owen Luder

. . . despite progress

"THE BASIC principles of development have not changed, it is just impossible to justify any development scheme at the present time." So said one of the leading property developers in the depths of the property collapse two years ago. Little has changed since then, except in the industrial field, where the promise (it has been little more than that) of industrial expansion leading us out of the present depression has led to some schemes getting under way.

But if principles are unaltered the emphasis has changed in some ways. Long-term financing in advance is now critical, being provided almost exclusively through institutional funds, with a significant amount of prelettings to acceptable industrial tenants.

This is of significant help to the architect operating in this field. The financing institution involved at the outset of a scheme exercises pressure for better buildings, better materials and a far greater concern for long-term maintenance than the old time developer, who bought, built and sold as quickly and cheaply as possible to maximise his profits. The only disadvantage is perhaps that financial institutions—and one sees this with building societies in terms of housing design—tend to be ultra-conservative on questions of design, which restricts the development of new imaginative design solutions by architects. In a field not noted for bright progressive and imaginative design this is a pity.

The quest for greater quality comes through in a number of ways. Layout of estates must give generous room for the movement of vehicles, in anticipation of even larger commercial vehicles in the future. Access for vehicular traffic of all types must be adequate for not only the type of activity envisaged by the first tenants of units but also any future tenants. Service access and loading bays must be generous in size and properly related to service roads, and also work properly in relation to the production flow within the factory.

Adequate car and van parking for staff and minor deliv-

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Special efforts in Scotland

...E GOVERNMENT invest...nt in advance factory build... in Scotland has tradition... been rather higher per ...d of population than in ...r parts of Britain. For ...y years that was to take ...unt of the depressed state ...the Scottish industrial ...nomy. Lately it has been ...the more positive reason of ...ping provide Scotland with ...necessary industrial infra...cture to back up the boom ...economy caused by the ...th Sea oil and gas dis...eries.

...t the end of last year Scot...d had nearly 25m. square ...of government-built fac...stock compared with 31m. ...are feet in England and ...square feet in Wales. Also ...he end of 1975 the manage...t of the Scottish factories ...gramme was transferred ...n the Scottish Industrial ...ates Corporation to the new ...ttish Development Agency. ...t agency goes far beyond the ...iness of building and manag... factories. It has been ...ated to act as a kind of ...i-National Enterprise Board ...boost the Scottish economy, ...create jobs, and to improve ...environment.

...nemployment

...lmost the first act of the ...Scottish agency was to get ...ler way a new £5m. pro...mme of factory building and ...dernisation in the areas of ...h unemployment — both ...an and rural—ranging from ...sgow to the Scottish border, and from Dundee to Stranraer.

That programme has been followed up recently by a second programme under which a further £3m. is to be spent upon factories as part of the total advance factories development programme. Yet another phase of the programme is expected to be announced later this year.

Thus the sum total of the Scottish government factory building programme at present amounts to an addition of well over 2m. square feet to the 25m. square feet that the development agency inherited. Between 50 and 100 new factories strategically sited to provide new work in those pockets of unemployment which persist in Scotland are expected to have a marked impact upon the economy.

Special attention is being paid to the difficult Strathclyde region to identify special problems of deprivation which can be solved by joint initiatives between the agency and local authorities. The region has now been allocated the lion's share of all the advance factories scattered throughout industrial estates such as Beith, Bellshill, Blantyre, Bothwellpark, Carfin, Clydebank, Coatbridge, and Cumnock, and also at some towns such as Girvan.

Dundee and West Lothian are also being given priority to help cope with the changing industrial patterns of those areas caused by North Sea oil.

The first £5m. of the agency's investment plans is being used in two main directions. New factories account for £3.5m.—the projects now being built range from 10,000 square feet to 40,000 square feet—and the remaining £1.5m. has been earmarked for modernising older factories and for civil engineering work upon the industrial estates.

By confining building to sites on land already owned by the agency it has been possible to accelerate the total factory building programme with the least possible delay.

The second programme involving £3m. outlay is to build advance factories totalling approximately 106,000 square feet at Alloa, Alva, Beith, Darvel, Dundee, Innerleithen, Girvan, Kilmarnock, Lanard, and Selkirk. In some cases the building of those factories will involve the purchase of land or the purchase of existing premises for redevelopment. Further sites are also to be purchased at Dumbarton, Galashiels, Hawick, and Tillicoultry.

One novel aspect of the programme is the emphasis that is being given to taking over rundown factory and mill buildings in the centre of towns to turn them into modern advance factories. The agency admits that this is a total change of emphasis from putting factories on greenfield sites. But it is a switch which the agency can be proud to have inaugurated for it actually foreshadowed, some months early, a change in the policies of central government. Mr. Peter Shore, the Environment Secretary, has recently spelled out the Government's intention that the concept of greenfield development and new towns development which has so largely influenced British regional planning and industrial regeneration ever since the end of the last war is to be "put into reverse." In future the prime concern will be to revive the urban environment with new employment opportunities involving the refurbishing of many industrial and commercial premises.

The regional breakdown of the agency's latest scheme includes a broadening of its activities in the Borders region to tackle the problems of the textile industry there. The agency commented: "There are now many 19th century mills lying empty and occupying important industrial central sites in Border towns. Left idle they will become derelict and yet they are potentially *first-rate sites for modern* development." It is planned to negotiate for existing mills at Selkirk and Hawick with a view to redevelopment and to provide a 10,000 square foot advance factory unit at Selkirk.

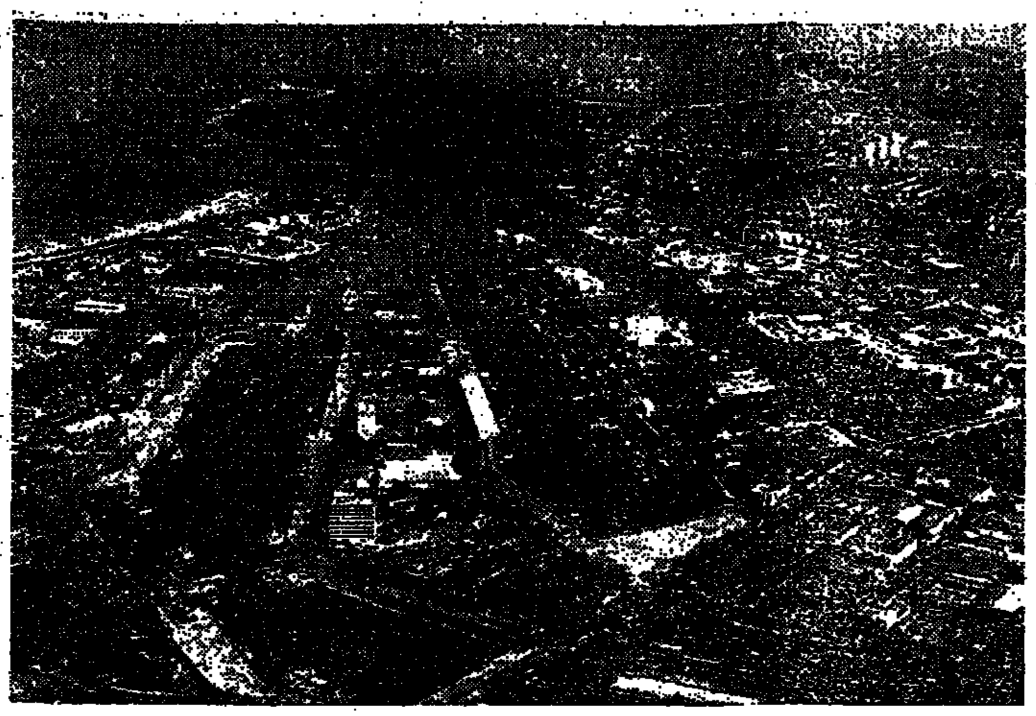
Tackled

In the Scottish Central region the agency is purchasing sites on several locations for small advance factories. The contraction of the existing lacemaking industry in the Kilmarnock area is being tackled by the purchase and redevelopment of existing property. There are several mills standing idle which the agency is interested in.

In addition to the Government-sponsored Scottish factories managed by the Scottish Development Agency Scotland has the industrial strength provided by a network of five new towns. There was to have been a sixth at Stonehouse in Lanarkshire but, in a major change in the Government's policies for west and central Scotland, it was scrapped last May. The resources released will be used to tackle urban deprivation in Glasgow and North Lanarkshire in accordance with the new Government thinking.

The five established new towns may not enjoy as easy access to Government resources in future as they have in the past. But they are vital to the Scottish industrial scene. They act as the focal points for concentrations of high technology industry which is making a major contribution to the Scottish economy.

R.H.



The docks at Aberdeen where there are major developments being undertaken resulting from oil exploration.

Progress

CONTINUED FROM PREVIOUS PAGE

eries is also essential, but even more important is the provision of adequate overnight parking of heavy commercial vehicles. This has been a standard requirement of planners for some time, though often resisted by developers since it restricts the amount of floor space able to be built on the site.

The parking of cars, or particularly lorries, take up a great deal of space, and can reduce site coverage dramatically. In the short term maximum rentable floor space may appear to be attractive, in the long term if it makes the letting of the unit at any reasonable market rent difficult it will have been a misguided decision.

What is basic to letting and particularly reletting of industrial units is flexibility, even if the first tenant is known in advance. The latter's special requirements, incorporated at a cost, may not be required by the next tenant and can be at times a positive barrier to reletting because of the restricted market for a "special" building.

Flexibility also emerges in the inevitable mix between industrial and commercial or warehouse use of units on industrial estates. Although in planning terms these uses are clearly separate, in practice the division is not so clear. The issue is complicated by the need for Industrial Development Certificates (outside development areas) for all but the smaller units, whereas no such special certificates are required before planning consent for commercial use.

Flexibility

Partly to try and get round this problem, and partly to maintain flexibility in letting to either type of tenant, there has been a strong tendency to design units that can be used either as factories or warehouses or distribution depots. The requirements for both uses—particularly with smaller light industry units—are similar enough for standard designs to be established, although in larger schemes this is now tending to be discouraged by both planners, who are concerned with the differing levels of employment and vehicular traffic involved, and by developers.

However, the need for a degree of flexibility is clearly desirable, although maximum flexibility is impracticable because of cost. Inevitably standard basic designs and layouts emerge for differing types of users and size units. Small units, up to say 200 square metres, are modest buildings best designed in linked terraces so that party walls can be inserted at will to provide a variety of sized units to choice. Eaves heights need not be excessive—normally 5 metres is sufficient. Larger units of say, 500 square metres can still be terraced but normally should be higher—say, 7 metres or greater. Above 1,000 square metres the units are best planned as detached units completely self-contained with no shared access or parking arrangements.

Industrial buildings are almost invariably single storey. A few local authorities have experimented with multi-storey flatted factories but the high construction and servicing costs —lifts and the like coupled with the relatively low price of industrial land—indicate that single storey development will continue despite its wasteful use of land.

With single storey buildings it is important however to ensure that the concrete floor slab is sufficient to take the point loads from the heaviest machinery and plant likely to used. For solid concrete slabs laid straight on the ground this may appear to be an unnecessary observation but as many light industrial buildings are erected on made-up artificial ground with very light load bearing capacity point loads for machinery needs catering for in advance. As their position is unlikely to be known, or will subsequently be altered, the whole floor should be designed to take the maximum anticipated loading.

The acceptance of single-storey buildings produces simple structures. They should be light enough to handle and place in position without expensive lifting plant and should facilitate speedy erection. For all but large special units some form of portal frame either in concrete or steel is likely to be the most economical and suitable. Concrete is usually cheaper, certainly on the smaller spans, and requires little if any maintenance, but steel has the facility of drilling for fixings for plant and equipment and is easier to alter and adapt than concrete.

For larger units, particularly if designed for special uses with large unobstructed floor spaces, conventional precast or in situ concrete or steel frames may be used coupled with more specialised roof structures such as space frames or monitor trusses. These will certainly be the exception, for while architecturally they are far more interesting than portal frames, they are invariably more expensive.

Materials suitable for enclosing and roofing the units to keep in heat and keep out wind and rain, and so provide an acceptable internal environment for men and machines, are limited. Asbestos with suitable insulation back-up still has its attractions despite the health hazard scare in recent months, but is easily broken both on walls and roofs. Plastic coated metal sheeting is more durable and will take considerable impact without serious damage, although dents on walls at lower levels indicate that truck drivers care little at times for their trucks or buildings! However, sheet cladding materials of this type are neat, quick to erect and provide the sparkle in appearance needed in what can so easily become a very dull environment.

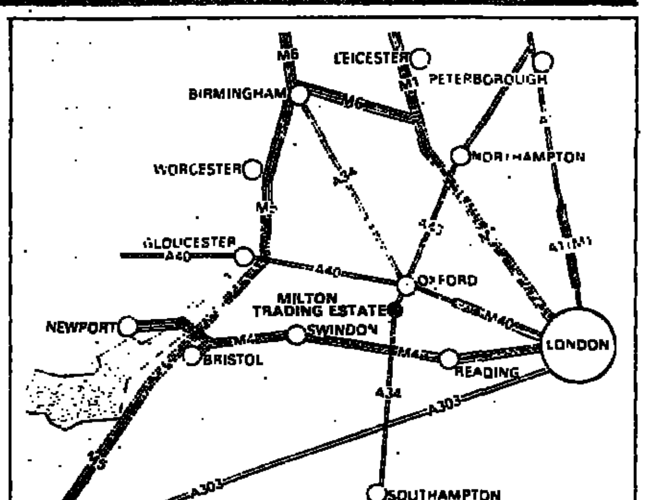
Institutions, and some industrialists favour brick—certainly up to about 2 metres in height —as this is almost impossible to damage significantly and requires virtually no maintenance. The disadvantage is the cost, the need for specialist labour and the time taken in construction and the need for special foundations. In addition, above about 10 metres in height it requires supporting and becomes a heavy cladding material rather than supporting its own weight.

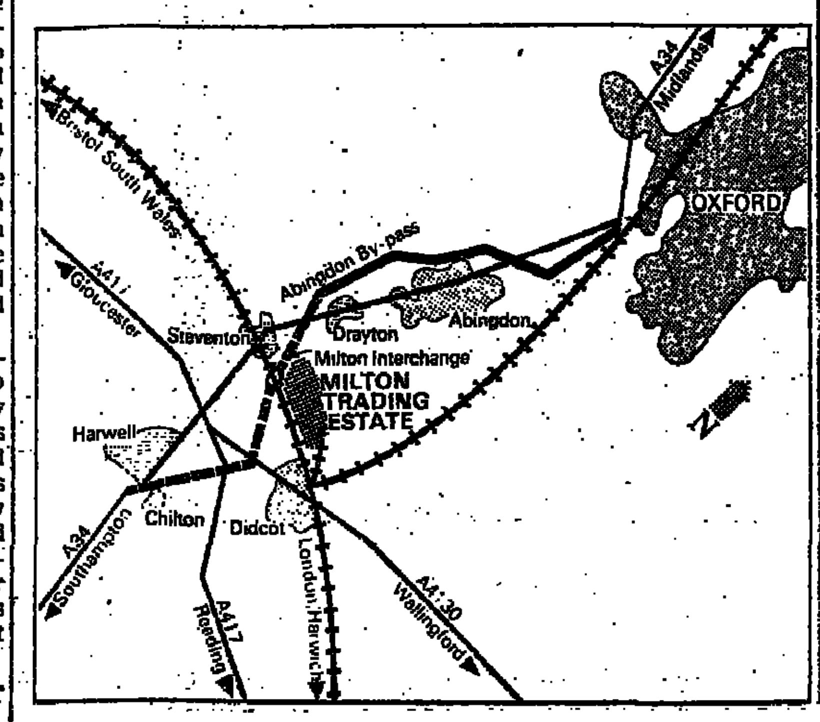
From all this it will be seen that the nature of industrial estate development, with simple single-storey building repeated usually on a flat site with a restricted range of suitable *interesting materials, do not* give the architect a great deal of scope to exercise his flair for creative design.

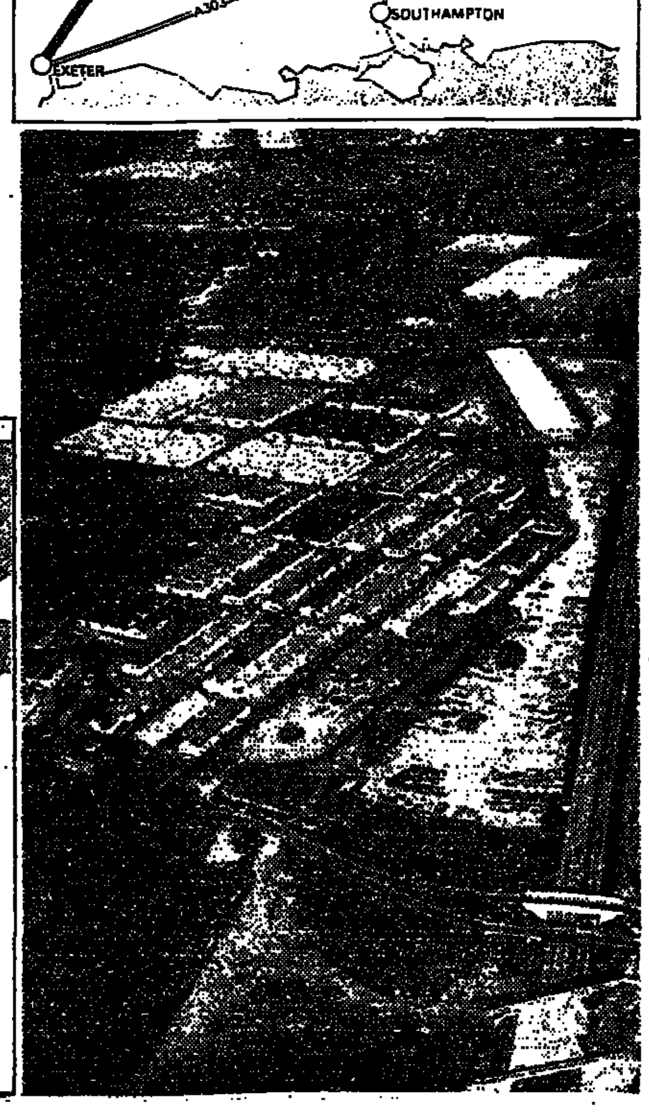
What he can do to create visual harmony and an acceptable overall environment is to instal throughout an industrial estate a consistent discipline in design and detailing with a careful choice and use of a few basic materials: the fewer the better. Also a sensitive use of a basic background colour with splashes of bright colour here and there to create interest and to draw attention to doors and other suitable features.

The ruination of any industrial estate visually is to become an untidy heap of badly related buildings and materials surrounded by the uncontrolled waste of industrial use. It is not just a case of the necessity to be tidy-minded in design and use, but of creating and maintaining a pleasant place for people to work—for that is what industrial development should be all about.

Owen Luder







Location becomes a vexed question

LOCATION IS likely to become even more crucial over the next decade as the backlog of postponed and abandoned motorway programmes makes itself felt.

Already the M4 is "full." Traffic planners would take it very kindly if manufacturers and distributors were to go elsewhere, please, than along its route. The M1 is, of course, under pressure; the M3 is hamstrung by its abandoned final stretch; the M62 is carrying more traffic than was expected.

For it is motorways and "A" roads which are the single biggest factor in location. For country which once had a highly developed network of canals the nation appears to have turned its back on its waterways. The arguments for the reasons are well known: upkeep of canals for commercial traffic is a very expensive proposition: canal movements must be backed up by final distribution by lorry which means the manufacturer maintaining two fleets: canals are slow. And yet, in Europe, the day of the canal is by no means over. In fact it seems to be getting a new lease of life, particularly in Germany where there is a radical programme of new canal building. Be that as it may, British industry does not locate its premises by reference to canals. Nor, by and large, does it do so according to the siting of airports and ports.

Enforced

That statement, of course, needs immediate qualification. There are some types of industries which could not operate anywhere but on the periphery of airports or in dock areas. Granted that fact, neither airports nor ports seem to have an edge over other good locations. According to a recent study industrial estates at the country's exits and entrances let no faster but no slower than other estates (all other things being equal). Not even export or import directed firms feel a compelling need to position themselves at these spots.

What matters, it appears, is the distribution of goods within the country. Even an export firm will have orders and customers in Britain and it will choose a dock or airport site only if it is also a good point for internal distribution. Which brings us back to motorways and major road routes. Apart from the mere question of their attractions of fast, easy distribution there are environmental factors to take into account as well.

There is no getting away from the fact that environmental control is here to stay and bound to become tighter and more stringently enforced. Industrialists making decisions which will affect their distribution patterns over a 10 to 15 year period are now well aware that inner city sites are one day likely to be totally prohibited to heavy duty transport.

Already most city centres are cut off and isolated, "no go" areas have been set up in more peripheral high density residential areas. Night time bans tend to become 24-hour closures; the shutting of one or two roads tends to spread to entire districts.

Nor does this apply only to major cities. More and more villages and towns have reached the point where they cannot and will not allow major industrial traffic through their centres. This trend has not so far caused great problems as usually the closure of the town centre has been preceded by the construction of a ring road. Now such routes are jeopardised. Few will be built in the next ten years: At the same time the pressure to close small town centres will continue to build up, with the likelihood that industrial traffic will be excluded without proper alternative provision being made for it.

Factors such as these are supplemented by political and economical considerations. It is possible that the whole IDC policy, intended to drive industrialists out of the major conurbations, may be up for review. In the Midlands and in London and the South-East, planners and industrialists alike would be grateful for any relaxation of the stringent controls which have so often meant under-efficiency for industry.

Special incentives are being dreamed up for the blighted inner city areas which could mean major attractions to industry to return to central locations. The lobby for such moves is backed by en[...] mentalists who believe more distribution and manufacturing units [...] city centres will mean [...] lorries threading through [...] streets.

Reinforcing this rev[...] the needs of the inner ci[...] the relative decline of [...] tance of the new towns [...] now becoming clear that [...] will be no more new town[...] the foreseeable future. In [...] this will mean red[...] pressure on central and [...] government planners [...] promote decentralised loca[...] at the expense of ex[...] centres. There will be [...] competition among the ne[...] expanding towns leading to [...] enticing incentives offere[...] them.

All that, of course, is sti[...] the future. At present i[...] trialists have still carefull[...] weigh up the special incen[...] offered by the Governmen[...] them to move to the dev[...] ment regions.

The incentives range [...] lengthy tax free periods, g[...] for labour training and [...] plant and machinery, gene[...] tax relief on capital bui[...] costs and, frequently, low [...] rents in factories built by [...] Government's English In[...] trial Estates Corporation [...] its Scottish and Welsh cou[...] parts.

Industrialists do not need [...] minding, however, that ge[...] ous as these concessions [...] and useful as they may [...] when weighed against [...] chance of being located w[...] the area where their custo[...] and orders come from, [...] development areas still [...] quently look unattractive.

For there is only one prio[...] as far as location goes—acc[...] Access to markets for dis[...] bution or orders.

C.

Anxious times in the ports

THE DOCK WORK Regulation Bill got its Second Reading in the House of Lords last Thursday. Next come the Committee stages so it is unlikely to get its Third Reading and be enacted before the Christmas recess.

In the meantime the property world is anxiously awaiting its final draft and attempting to analyse its impact. On the surface, a piece of legislation which determines what sort of work ought to be given to dockers is not one to arouse anxiety in this sector. One of its side effects, however, has already been to make industrialists hesitate before opening warehouses in certain areas around the country.

The intentions of the Bill are to protect dock workers from seeing their traditional jobs disappear as a result of modern cargo handling methods which can allow loading and unloading to take place at considerable distances from the dockside. The Bill seeks to create five mile buffer zones round "navigable waterways" within which all work classified as dock work will have to be undertaken by registered dockers.

This is the rub. The implications of the Bill for property are crucial. There is a strongly held belief that one major effect of the Bill will be to stir up enormous labour problems. As a result companies are said to be thinking twice about moving their cargo handling and distribution depots into these five mile zones.

At this stage the problem is really one of confusion and uncertainty. The Bill does not seek to give dockers a monopoly on handling all goods. In Schedule 3 Part I certain types of work are laid down as specifically excluded from the definition of "dock work." Those which are included, however, cover a broad spectrum of activities and could be open to fairly wide interpretation. For instance, dock work includes the handling or moving of cargo, the stuffing or stripping of containers and minor repairs to them and other forms of cargo handling equipment and stacking material, as well as the storage and warehousing of cargo and the associated clerical work.

Crucial

The crucial point is the definition of "cargo," and here, at least according to the objectors, the definition is very wide. Basically, cargo is regarded as goods which were or are about to be loaded or unloaded as cargo in a ship. There are a number of ways, however, in which a possible dockers' monopoly has been curtailed. The most important of these is that other trade unions will have a power of veto where work is up for classification as dock work. In a special amendment introduced during the Second Reading in the Commons, a Board will have the task of classifying work as dock work or not. Should the Board receive an objection from a fully qualified, independent trade union about a type of job which can be shown to be within its sphere of influence the Board will not classify the work as dock work.

The employer, too, has been given some safeguards. If he can show that the work has normally been recognised as non-dock work since September 18, 1967 (the date of the last major reorganisation of the dock industry) then he will not be required to employ dockers to undertake the job.

But all of this still leaves a large area of uncertainty, sufficient, it seems, to be seriously worrying the industry. Property Agents International, for instance, made representations to Government during the early stages of the Bill and are, apparently, none too happy with the reassurances they received in reply. The Government may not intend to discourage industry from setting up within the five-mile zones, but it is possible that it is in fact doing so.

Earlier this year, investigations among a selection of estate agents actively promoting properties within five miles of m[...] ports did indicate some problems. At least six significant lettings in the South East and South West of the country had, by May, fallen through as a direct result of the Bill.

On the other hand, a number of major agents with considerable experience in industrial lettings saw the problem only as an interim one or of no consequence. One agency made the valid point that this Bill has been on the cards since 1971 when the Bristow report was published so manufacturers and distributors have had five years to adjust to it.

Since May agents have been more reluctant to attribute failed or sluggish lettings to the Dock Bill. The level of industrial lettings throughout the country has failed to sustain the vivacity it seemed to be showing early this year and in a generally sluggish market it is difficult to isolate one particular set of possible causes for the reluctance to let property round the docks.

Nevertheless there is confusion and anxiety which is not likely to be fully resolved until some time after the Bill is enacted and the battles are fought over the classification of specific jobs. What is certain is that the battles will be waged far inland, right into the heart of Glasgow, up the Humber to York, the length of the Manchester Ship Canal, into Gloucester and along the London banks of the Thames.

C.M.

SOCIETY TO-DAY

BY JOE ROGALY

Some are less equal than others

E NEED more equality in itain, not less. There was a ne when such a statement ould have been regarded as a ere affirmation of the gener-y accepted creed: a common-ace that hardly bore repeti-n, except perhaps as a ritual ant. To-day there is a grow-g stream of establishment inion that dares to insist on e reverse. We not only have o much equality, they say, but less we accept the need for centives and differentials and e will to greater wealth, our tire society will be impover-ed and freedom itself will in danger.

"The process called equality, ich spreads effective citizen-ip rights to all and mesticates political power, is ely to over-reach its original al," says Professor Ralf hrendorf, Director of the ndon School of Economics. his recent Eleanor Rathbone morial Lecture, published by verpool University Press. "As turns into a demand for the olition of inequalities of itus as well as power, it begins defeat its own purpose," he gues. "It is no longer ficult to extrapolate current nds to a point at which equal portunities become meaning-ss because there are no fferences left to choose from, d equal rights of participation se meaning because the dividual cannot effect any ange," he says.

Lord Blake, in his new mphlet, "Conservatism in an ge of Revolution," published Churchill Press, does not irk the consequences of this e of thought. Conservatives, says, must in one sense lieve in inequality, "not of urse inequality in the eyes of God or before the law, but inequality in terms of wealth, income and influence."

In case this is not understood, he rubs it in: "We may well press for a greater equality of opportunity, a removal of the barriers which prevent people achieving their potential. But we must ask, 'opportunity for what?' and if we are honest we must answer, 'opportunity to climb a ladder'—which presupposes that there is a ladder to climb." To Lord Blake, equality of opportunity presupposes inequality of achievement. He does not want us to be "mealy-mouthed about this."

No colloquy of this kind would be complete without Sir Keith Joseph and, of course, in "Stranded on the Middle Ground?" the collection of his public "reflections" of the past year or so, he makes his own contribution to the growing stream. "Egalitarianism destroys not only prosperity but freedom and culture," he says. "The fewer the individuals with independent resources, the greater the dominance of government."

As might be expected, Sir Keith follows his own logic to an unlikely extreme. If incomes were equalised, he says, "the zeal for levelling would shift from economic to other targets. We have already seen freedom in medicine attacked. Already educational practice attempts to prevent differences of talent and aptitude being evaluated and developed.

"How closely, I wonder, would we come to the *alpha* or *beta* plastic surgery faces — awarded by Government for political conformity — in L. P. Hartley's 1984 nightmare *Facial Justice.*"


Sir Keith Joseph (left), Lord Blake and Professor Ralf Dahrendorf (right).

And, naturally, these strands are plaited together in the Conservative Party's week-end pre-conference pamphlet, "The Right Approach" in which it is straightforwardly asserted that "Conservatives are not egalitarians. We believe in levelling up, in enhancing opportunities, not in levelling down, which dries up the springs of enterprise and endeavour and ultimately means that there are fewer resources for helping the disadvantaged." The chorus is not quite yet deafening — but voices that once were heard in the wilderness alone, even in the Tory Party, are multiplying. Inequality as a creed is stepping right into fashion.

It is not a *wholly* negative fashion, but it contains the seeds of further destructive conflict within British society. None of those quoted—Professor Dahrendorf, the Anglophile German liberal, or Lord Blake and Sir Keith, the lofty philosophers of the Conservative Party, or the new Tory document itself, can fairly be accused of indifference to the plight of the poor. All would agree that there must be a helping hand for the worst off; this is a starting-point for any such debate.

What seems to be missing is an understanding that the past is a greater influence on the thinking of most people than the future. It is possible that in some future, non-socialist, Britain, there will be a society in which bitter class conflict has been abandoned. In that society, we may suppose, there will be genuine equality of opportunity. The floor beneath which none will sink will be high enough to provide a decent minimum standard of health, housing, education, social security, and income for all: because of this the ceiling that most people will accept as reasonable for the high flyers will be further up than would be permitted by the more embittered of to-day's egalitarians.

Leaving aside the very large question of the desirability or otherwise of such a society, the simple fact is that what we have to-day is not perceived by most people as anything like that. The British folk-memory is still heavily influenced by the hard-faced attitudes of the anti-egalitarians of the inter-war years. Recollections or reminders of the past are of real importance in shaping current attitudes. We may be out of the worst and most grinding poverty of those years, but we are not very long out of it.

The present also weighs heavily. It is still true, this very day, that the working classes, and especially those in the north, have a lower expectation of life and a higher expectation of ill-health than the professional classes and especially people in the south-east. Just about everything else goes with this: their schooling, their housing, their chances in life, even their very urge or lack of it to set foot upon a ladder of success are all at a less favourable level than those enjoyed by the middle and upper classes. If you doubt this, look the figures up for yourself. Those of us who have the greatest share of most of the desirable things of life should not expect to convince those who have very much less that inequality is good for them.

Oh, but do stop there, some will protest. Surely the events of the past few years have constituted an immense redistribution of wealth and income: a levelling-down if ever there was one. The volumes of evidence submitted to the Royal Commission on the Distribution of Income and Wealth provide plenty of material in support of such a protest, and the thrust of their argument is probably not materially affected by the inclusion of the fringe benefits which some say now accrue to executives and managers and others point out are paid in one form or another as perquisites to perhaps the majority of employees in this country.

Unhappily, this redistribution is too recent to be socially or politically beneficial. For that it would have to last a generation, and the consequences would have to show through in greater equality of health, education, housing, and the rest. It is possible that this is beginning to happen, but there is little available evidence to that effect. Until there is such evidence the Left, for all its obstructiveness, will continue to enjoy the advantage of at least seeming to base its campaigns on morally superior intentions.

Those who have argued most recently for inequality may feel that this is untenable, since anti-Left policies, like a minimum standard of educational achievement, measured and tested; or the sale of council houses to sitting tenants; or the reduction of personal taxation, may all do more to raise the conditions of life of working people than many of the proposals put forward by doctrinaire socialists. The trouble here is that the Left appears to have an edge when it comes to motive; no matter how often Sir Keith or Lord Blake or others at the top of the tree say that they have the interests of the workers at heart, when inequality is preached by such people it looks to others like a squeal of outrage against the current difficulties facing those who wish to become, or remain, well-off.

Guiding light

It is for this reason that the past, and the real present, must be a better guide to policies than one imaginary version of a possible future. For if the motive is mistrusted then any future Government that tries inequality as a guiding light is likely to stir up as much trouble, in the form of social and industrial unrest, as did the Government of 1970-74.

The truth is that in many areas of life Britain needs more equality, and those who would influence our national philosophy would do well to emphasise this. Equality between the sexes has been proclaimed, but not yet put into practice. Racial inequality, especially as it affects West Indians and their black British offspring, is hardly even a national aspiration. Broad equality of the basic conditions of life as between the classes may or may not be a desirable goal (it depends on your philosophy) but the present degree of inequality is still too large to be consistent with a stable society. It is only when these preconditions have been met that it can make any real sense to talk about a minimum standard for all, accompanied by equality of opportunity and an abundance of ladders for those who wish to climb them. We may need some of these things now (it is an open question) but without the fundamentals present as a priority we can have none of them for very long.

All these reflections, to use Sir Keith's expression, are difficult to set down with precision. For me, a small part of the picture is made clear by my conversations with friends on the building sites — a place in which the proportion of nature's capitalists and economic predators nearly matches that of the City itself. But they hardly ever rise out of the mud, and the broken bricks, and the concrete, because, however hard-working and however cunning (far more so than most of their managers), their class is wrong. We will have gone a long way towards the right degree of equality when the man on £100 a week is treated with the same respect, and regards himself with the same satisfaction, as the man on £5,000 a year.

Letters to the Editor

Out of date Parties

om Mr. J. Inman.

Sir, — Both the excellent ticles of Mr. Rogaly, September and Mr. Brittan September, stress that remedies to our esent crisis and the reversal of r steady national decline pend not on economic juggling technicalities but on political cisions and will. They also knowledge that there are grave ubts both at home and abroad, nether our present political rties can effectively implement e necessary policies. Labour cause of its need to placate e Left-wing on which it epends for power by introduc-g policies that stultify or estroy the creation of wealth. e Conservatives because they annot obtain a mandate large nough to successfully withstand onfrontation by politically moti-ated Left-wing union leaders.

The reason? The parties are ut of date, either in image or dogma, affiliation and attitude. he country has changed vastly the past half-century, but our arties very little. They can btain a legal mandate for one-arty Government under our esent electoral system, but n only get 40 per cent. of the tes, less than 30 per cent. of e registered electorate. The nsequence is decline and insta-lity, much parliamentary time asted in reversing and reversing each others' legisla-on, vastly too much legislation at clogs the offices of an ever owing bureaucracy and the ofessions. Our politicians— rk too hard, they are badly id, and it is small wonder that en of ability go elsewhere. The blic results are widespread strust, cynicism, apathy, and a se of helplessness and istration.

Mr. Callaghan has just said, solutely correctly, that if bour cannot rule he very uch doubts if the Conservatives n either, with the distinct risk a totalitarian Government. ere are, however, other alter-tives: not the Liberals, who do t convince when they claim to ve the necessary numbers of ople of ability, but a genuine alignment of, for want of a me, the centre. Is it divinely dained that we should risk talitarianism in order to sus-in our present out of date rties in existence? Are there moderate politicians of coun-e, who will make the break lich many think could sweep e country? When all the is spent, politics is about exercise of power, and there st be many moderates who their party because they not stomach the extremists other and saw no future th the Liberals. One thing is tain, they will have no place politics at all if Mr. Callag-n's statement comes true, for thing is more certain than bour failing to reverse the cline!

The leader of a realignment? pity Mr. Jenkins is off to ussels!

C. L. Inman.

ham Vicarage Farm.
row, Bury St. Edmunds,
ffolk.

Representatives government

om Mr. A. Thorne.

Sir, — I wholeheartedly sup-rt Sir Frank Taylor's appeal a national Government, but vould respectfully suggest that has his priorities wrong. The first requirement of such Government should be an absolute commitment to electoral reform in order to introduce a system of proportional representation within its term of office.

As Joe Rogaly suggested (September 30) the malaise of this country can no longer be rectified solely by financial juggling. It is a sickness of the heart and the mind. Our present political system has failed us and if we are first to restore confidence in ourselves and then to restore the rest of the world's confidence in us, we must have a Government representing the majority of our people in which we can all place our trust.

A. S. J. Thorne.

Bury partisan politicking

From Mr. R. Ernest

Sir,—The curse of political life in this country is the way the two Parties of government divide horizontally on ideological lines, so that consensus is virtually ruled out while one or other is in office. The only time responsible men, irrespective of Party, seem to be able to sink their differences and work together is when there is a real crisis, such as in the slump of the 1930s or in wartime.

If there ever was a time of real crisis, this surely is it. As Sir Frank Taylor and Mr. Desmond Rawson point out (October 1), the only way to deal with it now is to form a coalition which, burying partisan politicking for the time being, would unite people with the interests of the country at heart in the kind of action the situation demands.

One would think that in any case leading politicians of both parties would welcome such a solution as an alternative to the awful responsibility of trying to hold back the flood single-handed.

R. Ernest.
7, Rosecroft Avenue, Hampstead, NW3.

Employment and disruptions

From Mr. H. Dunn.

Sir,—Your correspondent Mr. B. Cassidy (September 30) hits the nail squarely on the head. He makes one conclude that the reason for our failure may lie in the direction of "overemployment"—and the very frequent disruptions experienced by industry in such cases as the recent Ford fracas. The Labour Party has set its face against a short period of high unemployment while we right ourselves, as others have done, in favour of expensive and doubtful schemes which will get us nowhere.

H. B. Dunn.
Stratford Lodge,
Stratford St. Andrew,
Saxmundham, East Suffolk.

Paying for strikers

From Mr. P. Gray.

Sir, — Much is being said and investigated these days about abuses of the social services.

It seems to me that there is one really major abuse and deception that is not receiving the urgent attention it requires at this critical time in the nation's affairs. The Oxford Dictionary defines "unemployed" as "not used, lacking employment, those who cannot find work or wages." How can this description possibly fit a person who voluntarily leaves his work to go on strike?

How can he be accepted at the registration office when he is not in fact unemployed? He has a job to go to at any time he wishes, a docker even has a job for life now, so why in the name of reason should others, who really need the social services for what they were designed for, suffer because of the cuts that are being demanded.

If there are cuts to be made, then the practice of paying out money to these people, who are just simply not entitled to it, should surely be stopped as a matter of top priority. The country's finances can no longer afford a practice which is nothing but an act of fraud on the social service. Calling a halt now should rank high on the Government's list of current public expenditure reviews.

The public agony is doubly hard to bear when these peoples' actions are undermining the only way to the social services, or anything else for that matter, can be kept going at all in these difficult days for the country, namely exports and simple old-fashioned hard work.

Percy Gray.
Arndale House, Charles Street, Bradford.

Confidence at home and abroad

From Mr. D. Stonehouse

Sir,—May I congratulate Sir Frank Taylor on his unpatronising appeal (October 1), for the major parties to set aside their political aspirations and contribute their best men and women to a national Government to run the country for the next few years.

Such an appeal must always make greater demands on the patriotic integrity of the ruling party than those in opposition. Our current administration must therefore be left in no doubt at all that its addiction to the doctrinaire philosophies of the Left has brought the nation's health down to its current level of economic anaemia.

Those investors abroad, upon whose confidence our monetary future depends, must see this country run by a Government which can spend the whole of its time on the task of getting the country back on its feet. Now is not the time for any Government to rush through controversial measures "before the other lot get back in," or to pursue doctrinaire policies simply to appease the extreme Left.

Industry needs to be left to get on with the job of producing the wealth the nation needs. It has enough difficulty already in facing the problems of inflation, fierce international competition and increasing militancy among misled sections of the workforce, without having to dissipate its energy in fending off government interference.

Exhortations such as that from the Prime Minister in his speech at Blackpool will do little to check the drain on our economy while some powerful members of his government obviously have no intentions of implementing his strategy.

Only a national Government can now devote itself unswervingly to the restoration of our economic health, while at the same time restoring the confidence of foreign investors.

D. M. Stonehouse.
Keepers Cottage, Keep Hatch Road, Wokingham, Berkshire.

Tourism in the Caymans

From the Senior Information Officer, Hotel and Catering Industry Training Board.

Sir,—In the article on tourism in the Cayman Islands (October 1) it is suggested that the development of tourism might be unwelcome because it would require the importation of more labour at a time when many Caymanians are suffering unemployment.

This need not be so. There would undoubtedly be a need for expatriate managers and some key supervisors. Part of their job would be to train Caymanian successors. As far as craftsmen and operatives are concerned the extensive use of the series of training aids produced by the Hotel and Catering Industry Training Board in more than 30 countries overseas has demonstrated the practicability of analysing training needs and organising the necessary instruction for native trainees. A former training development officer of the HCITB, Mr. Brian Saword, visited the islands some time ago and prepared a report suggesting how such training might be developed.

The problem mentioned in another article—the disruption of family life caused by the employment of women—is not insoluble. If many of the male islanders are away at sea there might be positive advantages in providing employment opportunities for their wives. On the other hand, if this is thought to be undesirable, my own experience has shown that hotels can be operated almost entirely by men.

The implementation of the Sex Discrimination Act in the U.K. has already shown that there are very few specifically female (or male) skills in hotel-keeping. Men and women are now being employed on the basis of their ability to do a job (or their training potential) rather than on their belonging to the sex traditionally associated with it. As it happens a large proportion of the kitchen staff in Cayman Islands hotels are women: in Great Britain most jobs in hotel kitchens (but not in industrial and welfare catering), from kitchen porter to *chef de cuisine*, have until recently been reserved exclusively for men.

Malcolm H. McDougall,
HCITB, P.O. Box 18,
Ramsey House, Central Square,
Wembley, Middlesex.

Compulsory schooling

From Mr. L. Smith.

Sir.—Most of us share the exasperation of the Chancellor of the Exchequer at the antics of those who, by their misguided public utterances cause sterling to depreciate and thus do harm to the nation. It may be that these outbursts are made, not out of spite but through lack of knowledge. If this is so, a case can be made out for scheduling economics as a compulsory subject to be taught in all schools. Perhaps reading, writing and arithmetic could also be added to this compulsory list.

L. T. Smith.
9, Henrietta Place, W.1.

Solar energy and costs

From Mr. R. Tomkins

Sir,—In his otherwise excellent survey of alternative energy sources in your report on Standby Power (September 23), Ted Schoeters makes the surprising statement, "there is no argument that currently available designs of solar panels . . . can be amortised in *three to five years* . . ." We have recently completed a survey of 33 commercially available domestic solar water heating systems and have found that they will take between 12 and 29 years just to return the capital invested. Furthermore, despite anticipated fuel price rises, the returns in the near future are not expected to improve significantly. In other words, at to-day's interest rates, this type of energy saving "investment" will result in a net loss to the "investor."

If the "solar house idea really catches the imagination of the public" it will also burn a hole in its pocket. The search for alternative energy sources would be more effectively directed elsewhere.

R. Tomkins.
Imperial College of Science and Technology,
Department of Management Science,
Exhibition Road, SW7.

Trustees for pensions

From Mr. M. Griffiths.

Sir,—You report (September 23) Mr. Ennals's intention to push through legislation to give trade unions the right to 50 per cent. representation on the managing bodies of pension schemes even where a minority of scheme members are members of trade unions. You also report that he justifies this by saying that non-union members cannot expect to have the advantages resulting from trade union negotiation and still have separate representation on scheme boards. There are two fundamental errors in his thinking.

Of those who choose not to join trade unions a very significant proportion are neither opting out of wage and salary negotiations nor riding on the backs of the trade unions—they are opting for individual, rather than collective, bargaining. In the context of their pension schemes, the logical extension of this situation is that those who have opted to bargain for themselves should be entitled to elect their fair quota of representatives to bodies managing their pension schemes—not that they should be disenfranchised.

Negotiation of pension rights and the trusteeship of pension funds are totally different functions. Those who negotiate on behalf of a section of a company's work force have, presumably, a duty to pursue the interest of those whom they represent above any other interest. The trustees on the other hand have a duty to act fairly on behalf of all the scheme members. It would surely be preferable to have separate people exercise these two quite different functions and that cannot be achieved effectively if the trade unions responsible for negotiation also appoint, and are able to dismiss, trustees.

The proposed legislation is clearly intended to favour trade unions. I wonder, however, whether the unions would not be better able to represent their members by declining to become directly involved in the trusteeship. By doing so they would remain free to monitor the acts of the trustees, and to press the particular interests of their own members, rather than be constrained into the totally unnatural role of having to act fairly and impartially on behalf *of all scheme members whether* or not they pay their union dues.

The double standards displayed in Mr. Ennals's thinking on the first point need no comment from me.

Mark Griffiths.
Griffiths and Armour.
101 Derby House,
Exchange Flags,
Liverpool.

To-day's Events

GENERAL

Conservative Party Conference commences in Brighton.

International Monetary Fund annual meeting continues, Manila.

President Giscard d'Estaing of France continues State visit to Iran.

Mr. Edmund Dell, Secretary of State for Trade, meets leaders of the accountancy profession to discuss criticisms of accountants and auditors in recent Department of Trade reports.

CBI Economic Policy Committee meets.

Institute of Housing Conference, Scarborough.

Exhibition at Royal Exchange (until October 8) to mark 21 years of clean air in City.

PARLIAMENTARY BUSINESS

House of Lords: Resale Prices Bill committee. Rent (Agriculture) Bill, second reading. Retirement of Teachers (Scotland) Bill, third reading. Valuation and Rating (exempted classes) (Scotland) Bill report. Debate on recent proposals of the European Commission for the dairy sector. Debate on 46th report of the European Community's Committee on Structural Reform in the Common Agricultural Policy.

OFFICIAL STATISTICS

Provisional figures of vehicle production and estimates of new car registrations (September).

COMPANY RESULTS

Averys (half year). Bunzl Pulp and Paper (half year). Cape Industries (half year). Clive Discount Holdings (half year). Freemans (London, SW9) (half year). Grattan Warehouses (half year).

COMPANY MEETINGS

Douglas (R. M.), Erdington, Birmingham, 12. Hardy and Co. (Furnishers), Portman Hotel, W1, 12. Hoffnung (S.), Great Eastern Hotel, EC, 12. Illingworth Morris, Shipley, West Yorkshire, 12. Joseph (Leopold) Investment Trust, 31, Gresham Street, EC, 10. M.L. Holdings, Slough, 10.30. Thames Plywood, 4, Crosby Square, EC, 11.30.

COMPANY NEWS + COMMENT

Rugby Portland Cement up 4% at midway

FIRST-HALF 1976 turnover of **Rugby Portland Cement** increased from £35.43m. to £39.45m., and pre-tax profit advanced by 4 per cent. to £5.58m. Turnover for the year 1975 was £71.62m., and pre-tax profit £11.3m.

Indications are that the profits for 1976 should again be a record, it is stated.

The interim dividend on the Ordinary capital is lifted from 1.36p to 1.496p net per 25p share; while holders of the 5p participating (non-voting) shares receive an interim of 0.957p (0.87p): Totals of 2.833p and 2.412p respectively were paid last year.

	Six months 1976 £	1975 £
Group turnover	39,446,000	35,430,000
Trading surplus etc.	7,422,242	7,044,691
Depreciation	1,845,144	1,682,640
Profit before tax	**5,577,098**	**5,362,051**
U.K. tax	1,825,000	1,775,000
Overseas	300,000	245,000
Minorities	93,782	39,005
Balance	3,308,316	3,297,046
Interim Ord.	1,033,184	937,440
Participations	310,065	281,860

The total tax charge includes equalisation reserves of £1,310,000 (£595,000).

See Lex

HIGHLIGHTS

First-half profits at **Rugby Portland Cement** are marginally higher but the forecast is for some increase in the full year. Currys' profits are 17 per cent. lower at the half-way stage but the outcome for the full year is expected to top the £8m. plus seen the previous year. Lex also takes a look at **EMI's** acquisition of a further stake in **Nuclear Enterprises** and the decision at **Lucas** to spend £100m. on expansion. Even allowin for the inclusion of associates as subsidiaries for the first time **Jefferson Smurfitt** has turned in a worthwhile recovery. **Raine Engineering** is another company where the inclusion of another source of income for the first time distorts the picture since profits would be lower but for the acquisition.

M. P. Kent ahead at £1.8m.

ON SALES up from £12.3m. to £14.56m., pre-tax profits of residential and commercial property developers M. P. Kent for the year ended June 30, 1976, increased to a record £1.8m. against £1.7m. a final dividend of 1.3p net per 10p share makes a total for the year of 1.85p compared with 1.709p.

At half-time, the company's pre-tax profits had fallen from £1.11m. to £0.5m.

The profit for the year included rents received of £526,000 (£345,000) and interest written off £1.42m. (£1.11m.). Net profit is £630,000 (£1,033,000) and earnings per share are stated at 4.6p (9.5p).

The directors state that the accounting policy on house sales has been changed. Under the previous policy, profit for the current *year would have been* greater by £185,550.

Borrowings during the year were reduced by £5.87m., the directors add, and this will be reflected in greatly reduced interest charges in the current year.

They go on to state that the abnormally high tax charge of £1.16m. is due to industrial allowances now treated as current or deferred taxation.

Further commercial sales are anticipated, the directors say, and housing production is being increased.

● comment

M. P. Kent decided earlier this year that with commercial property returning about 7½ per cent. per annum against the finance costs of 14-15 per cent. per annum it would be better to give up its role as a property company and concentrate on trading. As a result of the sales it then made, gearing is now *down to 79 per cent. compared* with 226 per cent. last year. Naturally the profits (up 6 per cent. on last time) have received an exceptional lift from this big sell-off but this is limited by the fact that the properties were revalued only last year. Moreover the profit and loss account next year will benefit from a substantial reduction in interest *charges. The future generally is* tied to demand for residential and industrial property. In the case of the latter, Kent reports that investment demand from institutions is good but dependent on successful lettings which are harder to come by. On the residential side the company maintains maximum flexibility to respond to the market, whichever *way it should go—a flexibility* much enhanced by its newly liquid position. At 25p the shares *yield 12 per cent.*

Advance Laundries

FIRST HALF 1976 turnover of **Advance Laundries** expanded from £9.68m. to £12.44m., and pre-tax profit increased from £1.28m. to £1.58m. The figure for the year 1975 was £2.55m.

The directors state that costs continue to rise, but they hope *that the profit level will be main*tained in the second half.

Earnings per 10p share rose from 1.37p to 1.71p, and the interim dividend is 0.3p net *(same). Last year's total* was 1.5074p. The company is a member of British Electric Traction Company.

	Six months 1976 £	1975 £
Turnover	12,444,356	9,680,056
Profit before tax	**1,577,581**	**1,277,337**
Taxation	820,823	664,215
Minorities	243,855	195,445
Attributable	511,560	414,677
Ordinary dividend	155,682	95,682

Marshall Cavendish ahead

REPORTING pre-tax profits up from £0.91m. to £1.19m. for the 25 weeks to June 18, 1976 on turnover of £5.67m. against £7.17m., the directors of publishers, **Marshall Cavendish**, say that despite increasing pressure *on costs in the U.K., they expect* full year profits will be similar to the £2.28m. of 1975.

First-half earnings are shown to be up from 2.16p to 2.8 per 10p *share and the interim dividend is* lifted from 0.89375p to 0.975p net.

The directors expect to pay a final dividend of at least 3.45p gross to make a total of 4.95p (4.5p).

The drop in turnover is accounted for mainly by the closure of the group's U.S. mail order book publishing operation in 1975.

	25 wks. 1976 £000	24 wks. 1975 £000	Year 1975 £000
Sales	5,669	7,171	12,884
Profit before tax	**1,192**	**909**	**2,278**
Net profit	372	456	1,081
Minorities	8	4	8
Leaving	364	452	1,073

The company enjoyed two successful partwork launches this autumn.

● comment

The shares of **Marshall Cavendish** have been rated cautiously because earnings from part works such as Golden Homes have been considered unreliable. *Certainly* in 1974 profits completely fell away but in 1975 they recovered and in the first half of this year they *have improved again by 31 per* cent., which makes the forecast of "similar" profits for the full year look cautious. The autumn launches of two partworks, "Supercook" and "The War Papers" have gone well. The attempts to reduce reliance on partworks will take an important step next year when two new series of books will be issued. If these are successful then perhaps *the market will cease to require a yield greater than that on War* Loan—the prospective return is 17 per cent. at 30p.

Peak £1.4m. by Strong & Fisher

COMPARED WITH a forecast of not less than £1.2m., pre-tax profits of **Strong and Fisher (Holdings)** more than doubled from £0.63m. to a record £1.4m. for the year to May 31, 1976, after a rise from £236,000 to £644,000 in the first half.

Full *year earnings are shown* to be up from 10.2p to 23.8p per 25p share, and, as promised the final dividend is 3.69p net on capital increased by January's rights issue—for a 5.69p (3.69p) total. A one-for-two scrip issue is also proposed.

	1975-76 £	1974-75 £
External turnover	16,609,900	11,356,000
Trading profit	1,962,200	1,166,800
Interest payable	408,500	322,500
Depreciation	196,400	156,000
From associates	45,600	*26,000
Profit before tax	**1,402,900**	**632,300**
Tax	725,700	359,500
Net profit	677,200	273,300
Extra-ord. debits	31,200	133,200
Leaving	646,000	140,100
Pref dividend	2,900	2,900
Ordinary	52,100	26,100
Proposed final	120,100	70,200
To loan redemption res.	2,008	2,000
Retained	468,900	39,100

* Loss.

In the light of the company's exceptional growth last year, the current year will be one of consolidation and integration, says the chairman Mr. J. P. Strong. "Even so, we are budgeting for a further improvement in profits," he tells members.

● comment

Strong and Fisher's full-year profits, showing a 120 per cent. jump pre-tax to £1.4m., are well ahead of the interim indication of £1.2m., and the shares rose 2p *to 32p. The main factor behind* this impressive rise in the sharp increase in demand for high fashion suede clothes, particularly in Europe. Invoicing is on a *local currency basis* so there is undoubtedly an extra boost to the figures from sterling's depreciation, and this must be growing in importance this year with exports up from 56 per cent. of leather production in 1975-76 to 63 per cent. currently. Last year was obviously one of exceptional growth, though the company is still confident of a further *improvement this year, which* must lend support to the shares on a p/e of 3.3 with a yield of *11.2 per cent.*

STANDARD CHARTERED

Standard Chartered Bank, London, announces the opening of its wholly owned trust company in St Helier, Jersey. Standard Chartered Trust Company (C.I.), which will provide trust, taxation and related services.

Standard Chartered's banking interests in the Channel Islands are represented by Julian S. Hodge Bank (Jersey) and Julian *S. Hodge (Guernsey).*

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Advance Laundry ...... int.	0.3	Jan. 4	0.3	—	1.51
Change Wares	2.17	Nov. 27	2.17	3.05	3.05
Cray Electronics	0.8	—	1.3	1.3	1.3
Dale Electric ...... int.	2.0	—	1.75	—	4.44
J. E. England ...... int.	0.33	Jan. 5	0.3	—	1.16
Jefferson Smurfit ...... int.	3.75(a)	Dec. 31	3*	—	8.25*
M. P. Kent	1.3	—	1.21	1.85	1.71
Marshall Cavendish ... int.	0.98	Nov. 22	0.88	—	2.93
Nthn. Ind. Imp. Trust ...	2.3	Jan. 3	2.3	3.8	3.8
Raine Engineering	*0.65†*	*Dec. 1*	*0.49**	*0.98*	*0.8**
Rugby Portland ...... int.	1.5	Jan. 7	1.36	—	3.83
Rugby Portland Paftg. int.	0.96	Jan. 7	0.87	—	2.41
Strong and Fisher	3.69†	Nov. 2	2.69	5.69	3.69
Harry Vincent	1.79	—	1.83	3.04	2.83

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) Gross throughout.

H. Vincent advances to £0.38m.

TURNOVER OF confectionery and toffee manufacturer, Harry Vincent, increased from £4.65m. to £6.04m., and pre-tax profit advanced from £302,701 to £380,300 in the year to June 26, 1976, after £203,291 (£41,587) at halfway.

Prospects for exports are good with an increased demand expected from most overseas markets, and the directors see no reason why progress should not continue, it is stated.

Earnings per 25p share for the past year rose from 13.3p to 16.3p, and the dividend is lifted from 2.834p to 3.035p net with a final of 1.785p.

	1975-76 £	1974-75 £
Turnover	6,042,000	4,651,000
Trading profit	502,796	419,485
Pre-tax profit	*380,300*	*302,701*
Taxation	201,000	158,177
Net profit	*179,300*	*144,524*

Expansion at Patani Para

On turnover up from £204,608 to £248,978, pre-tax profits of **Patani Para Plantations** expanded from £66,375 to £121,011 for the year ended March 31, 1976. Final dividend is 1.505p net per 10p unit, making a total of 1.84p against 1.673179p.

The directors have recently had the company's estates professionally valued and have decided to write up the fixed assets in accordance with this valuation to *£1,031,000.*

SILENTNIGHT

Silentnight Holdings has agreed to buy **Edmund Leon**, a private company, which operates a sawmill and timber merchanting business in East Lothian, Scotland. The purchase consideration is *undisclosed.*

Cray up at £0.54m.: rights

THE INCREASED profit indicated by **Cray Electronics** turns out to be £535,219 for the year to April 30, 1976, compared with £517,151 for the previous year, after a downturn from £252,000 to £219,000 at halfway.

Earnings per 10p share for the year were up from *3.41p* to *3.67p*, and the dividend is maintained at 1.3p net with a final of 0.8p.

A rights issue is proposed to raise £350,000. The two principal *holders, Spey Investments* (33.7 per cent.) and Crest Nicholson (26.6 per cent.), have agreed to take up their allotments in full. The intention is to maintain the dividend on the increased capital, it is stated.

	1975-76 £	1974-75 £
Turnover	5,245,820	5,237,301
Profit before tax	**535,219**	**517,151**
Taxation	286,718	286,119
Net profit	*248,501*	*231,032*
Extraord. credits	—	12,383
Dividends	58,094	58,084
Capital reserve	—	67,509
Forward	795,053	637,636

SMITH HOLDINGS

Smith Holdings (Whitworth) has acquired **Roevac Automation and Machine Tool Sales (Manchester).** Combined assets and liabilities are £235,000 and £246,000 respectively: in 1975 pre-tax profits were £20,146.

ISSUE NEWS

PMA RIGHTS RESULTS

PMA Holdings rights issue to raise £277,000 on the basis of three-for-four at 25p each has *been taken up as to 86.3 per cent.* The balance has been allotted to those shareholders with excess *applications* in the proportion of 57 per cent. of the stock applied for.

TREASURY STOCK

The Bank of England announces that no conversion offer will be made in respect of holdings of 10½ per cent. Treasury Stock 1976. This stock will be redeemed at par on December 14, 1976. Redemption request forms will be *issued on October 20.*

J. Smurfit ahead by 89% at six months

EXTERNAL *sales of Dublin-based* **Jefferson Smurfit Group** expanded by 78 per cent. to £61.75m. for the half-year to July 31, 1976, and pre-tax profits jumped by 89.2 per cent *from £2.44m.* to a record £4.62m.

The directors point out that traditionally the second half is somewhat better than the first. *They expect that pattern to continue in the present year making* it the best in the history of the company.

The management has just *concluded reviewing* the divisions' medium-term plans and are convinced that the group is faced by many more opportunities than problems. The balance sheet remains strong and the company is trading comfortably within its resources.

First-half diluted earnings are shown at 6.9p (4.5p) and undiluted at 7.7p (5p). The interim dividend is effectively raised from 3p to 3.75p gross. Last year's total was equal to 8.25p paid from pre-tax profits of £6.04m.

	Half-year 1976 £000	1975 £000
External sales	61,754	34,690
Profit	4,299	1,793
Share associates	319	648
Profit before tax	**4,618**	**2,441**
Tax	1,671	748
Extra-ordinary debits	4	12
Minority interests	505	126
Attributable to Ord.	2,430	1,546
Dividend	778	612

The results include the full earnings from Time Industries in America which became a subsidiary on February 4, 1976, and the effect of Alliance Alders becoming a wholly owned subsidiary after the acquisition on March 31. These two acquisitions added £769,000 to pre-tax profits and 0.44p to earnings per share compared with their associated company status last year.

The increase in sales was substantial with some real gains in volume but these comparisons are made against a period which was very depressed.

Profit margins remain thin overall which reflect modest activity in most areas of operation with a constant struggle to control inflation in the areas of wages and overheads. The reduction of jobs in the base businesses has been stemmed and the group now employs over 8,950 people, members are told.

● comment

Even allowing for the inclusion of Time Industries and Alliance Alders as full subsidiaries rather than associates Jefferson Smurfit's *performance*, a 57 per cent. increase in attributable earnings, shows a significant recovery. Nigeria has been the strongest performing region, with the U.K. also turning in a better result and the U.S. division's *profits* higher by almost four-fifths. However, Ireland is still a lagging area and the printing operations continue to make losses, while packaging profits remain depressed. Nevertheless there are some signs of a recovery in Ireland though Jefferson will be looking to its overseas operations (now accounting for 60 per cent. *of assets) to provide* the growth this year. Profits for the full year could be around £10m. pre-tax, and taking a line through the half-time tax charge indicates a *prospective p/e of 6.9 at 108p.* Meanwhile the yield could be up to 10 per cent. assuming the rate of increase is maintained.

Statement Page 35

Confidence at Centre Hotels

Trading at Centre Hotels (Cranston) so far this year is satisfactory, says chairman Mr. H. Edwards in his annual statement. The group hopes to achieve substantial improvement in profits subject to normal trading conditions prevailing.

The group made a pre-tax profit of £582,483 for the year to April 4, 1976, against £766,231, as reported September 1.

The chairman says that it is taking longer to make new units profitable, and this can now be expected to take three to four years. However, he adds, it is encouraging that all hotels opened by 1973 are now budgeted to make a contribution to profit in the current year.

A *number of medium-term loans* have been obtained, Mr. Edwards says, and negotiations have been resumed for sale and lease-back transactions. The first one to materialise for some time should be *finalised* in due course.

Fixed assets stand in the balance sheet at £26,319,[illegible] (£22,717,719), current assets £2,268,321 (£2,072,724), and current liabilities at £11,788,[illegible] (£11,258,787). Net asset value of the group is given as 52.9p per Ordinary share.

Mr. Edwards is hopeful that the *group can look forward to steady* growth in the future.

Meeting: West Centre Hotel, S.W., October 28 at 10.30 a.m.

THOMAS FRASER

Thomas Fraser and Son has entered into negotiations for the sale of its shipping contract and retail business to Eastwood Thompson, which has expressed its intention to carry on the business.

هكذا من الأصل

Rhys David reports on developments into a new animal feedstock.

North Sea oil helps to bridge the protein gap

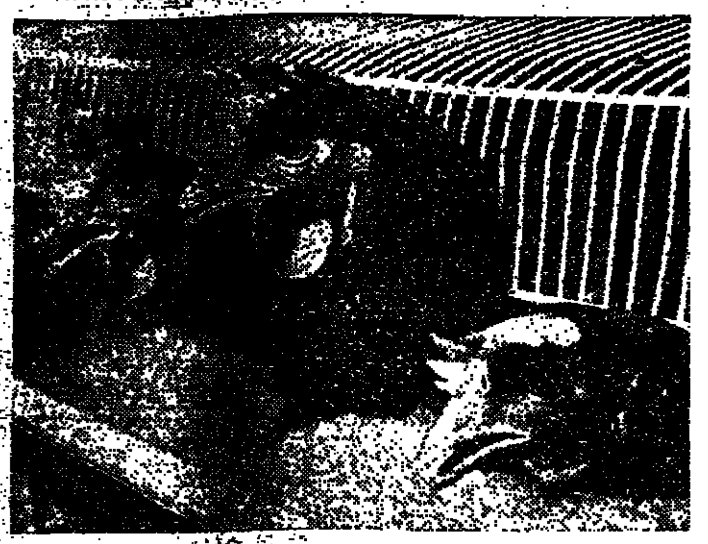
EUROPE'S cattle, pigs poultry some changes in could soon be on the way. ngside soya and other vege- e feeds, which now play a or part in building up ein in animals for slaughter, and gas may soon be featur- as feed—suitably modified he action of a wide variety nicro-organisms.

he prospect has been ight a stage further by the ouncement last week that is now to follow BP, the ieer in this field, in produc- its own single cell protein, teen, using methanol made n North Sea gas.

he project, which involves building of a major new it costing £40m. at Billing- on Teesside, follows a iod of intensive research and is by ICI since 1968, and is of a number of similar jects now under considera- around the world. At stake much more than the chance offer livestock a more varied nu. The novel technology of verting hydro-carbons—such gas and oil—into protein ld make a major contribution neeting ever-increasing world d needs. It could be particu- ly significant for Europe, at sent a major importer of dstuffs.

Vork on single-cell proteins, he products of this new tech- ogy are called, has a fairly g history and a number of erent systems using different mical feedstocks and dif- ent active mediums—yeast, teria, fungi, and algae—have n tried. As with all the t inventions, however, the covery which led to the main elopments arose almost by ident from work being car- d out for another purpose by U.K. company, BP, in ance.

n the late 1950s a M. Alfred ampagnat was working on the blem of de-waxing gas-oil, and one of his approaches was to grow yeast on the gas-oil to remove the unwanted hydrocarbons. It became clear that micro-organisms used in this way could represent a rich source of protein. The research effort was then redirected towards this end. The next move by BP, which has named its protein, Toprina, was to build a 4,000 tonnes-per-year plant at Grangemouth using a purified paraffin feedstock, and a 20,000 tonnes-per-year unit at Lavera, near Marseilles, in France, where the original development work took place, using gas-oil as a feedstock.



Laying hens in a "Pruteen" feeding trial.

Both plants started in the early 1970s and production has been marketed successfully in several countries. A much larger 100,000 tonnes-per-year unit, Italproteine, has also been built jointly with Anic, the Italian state-owned chemical producer, in Sardinia. This plant was completed earlier this year and uses the same oil product feedstock as Grangemouth. But delays imposed by the Italian Government, while further safety checks are made, have so far prevented it from coming into operation.

Another plant has also been built in Italy by Liquichimica, again of 100,000 tonnes capacity, but like the Italproteine plant it awaits Government authorisation. Considerable work has also been done in Russia where the difficulties of Soviet agriculture have given added importance to the development of alternative sources of protein supplement. Large scale plants are reported to be in operation with a capacity of 300,000 tonnes-per-year and additional capacity of 500,000 tonnes may be built.

Shell has also been conducting trials since 1965 at its laboratories in Sittingbourne, Kent, using methane as feedstock with mixed bacteria as the active agent, but the company announced last year that it was delaying construction of a full-scale experimental plant in the Netherlands. Shell has produced a high protein product in trials but is now conducting a further technical study to see whether the product is likely to be economic in competition with traditional feedstuffs in the foreseeable future.

Though the systems tried by the various companies differ in detail, all employ the basic approach of using the natural process of fermentation—familiar in making beer, bread, and yoghourt.

The BP process used at Grangemouth and in Italy starts with the introduction into a fermenter of the oil product, n-paraffin, together with other feed materials, including mineral nutrients, air, ammonia and water. After the components have been mixed, the yeast strain is introduced and fermentation begins. About one ton of yeast is produced for every ton of hydrocarbon feedstock, with the mineral nutrients, nitrogen, and oxygen also being absorbed by the organisms. The broth is then passed to apparatus which uses centrifugal force to separate the yeast cream. The cream is then dried for storage and shipment.

Fermenter

ICI, in using methanol instead of oil, will be taking further advantage of its much-prized gas contract with the British Gas Corporation. This gives it access for a period stretching into the 1980s to relatively cheap supplies of North Sea gas, though some revision of the contract at an earlier date remains a possibility, ICI points out, however, that oil or coal are also potential sources of methanol as well as natural gas.

Instead of yeast ICI's process will use the micro-organism methylophilus methylotrophus which was chosen after a rigorous examination of thousands of different bacteria in different parts of the world. When the plant starts in 1979 the micro-organism will work in what is claimed to be the largest fermenter in the world. It will operate without moving parts. Air supplied to the plant so that the micro-organism can breathe will also act as stirring agent.

ICI will be entering the field with a plant capable of producing 50,000-75,000 tonnes of Pruteen a year, depending on product mix, but the company was talking buoyantly last week of further investment being required in even larger plants in the 1980s to meet world demand.

The reason for this confidence is clear. At present Europe meets less than 20 per cent. of its feed protein requirements, importing more than 8m. tonnes per year—mainly in the form of soya bean meal from the U.S. —at a cost estimated this year around $4bn. As well as being a drain on Europe's balance of payments, the imports are also subject to influences outside the control of the importing countries. In 1973 restrictions on exports of fishmeal—another valuable source of protein—were imposed by Peru to conserve stocks. More recently, poor soya harvests in the U.S. —coupled with big Russian buying—have threatened Europe's supply.

Soya plantings, too, vary according to the prices fetched for rival crops, such as cotton. But perhaps most importantly of all there is the problem posed by the likely doubling of the world's population to more than 8,000m. by the beginning of the next century. "Allowing for the increase in world population and in the standards of living in the developing countries, protein production will need to increase by 59 per cent. or 54m. tonnes by 1990," says Hector Watts, director of BP Proteins. Single cell protein itself, furthermore, will not have very much effect on the availability of oil and gas for other energy uses. Less than 5 per cent. of total world oil consumption would meet total world protein consumption.

Yet, despite the obvious advantages to Europe—and to the world—of investment in new protein plants, progress has been slow, and as Shell's attitude indicates there is still caution over prospects among some of the major companies working in the field.

One problem is the very extensive testing now demanded by regulatory authorities in countries around the world before products, which may eventually find their way into human food, can be marketed. BP decided to build its plant in Italy after the Italian Government had approved the use of Toprina in animal feed in 1972. Authorisation was temporarily suspended earlier this year, however, so that further tests could be carried out.

Rigorous tests

Both ICI and BP claim that very extensive trials have been carried out on a wide variety of animals fed with Pruteen and Toprina and that no adverse effects have been uncovered. BP also points to the verdict of the United Nations Protein-Calorie Advisory Group which concluded that single cell proteins had gone through more rigorous testing than any other animal feed or even human food, and were safe for use.

Apart from individual country restrictions, like those encountered in Italy, another problem for the manufacturers is the wide difference in procedures before new products are allowed on to the market in different countries. Partly to counter this, the various European organisations interested in single cell proteins have formed themselves into an association, UNICELPE, so that joint representations can be made.

In the short term, however, the economics of major plants may prove to be the greatest disincentive to further investment, despite ICI's move. The BP pilot plants near Marseilles and at Grangemouth were built at a time when oil costs were low and vegetable feedstuffs costs were, by comparison, high. The intervening years have seen the oil crisis and the sharp rise in energy costs, and over the past year an equally sharp reduction in the cost of soya beans, though this trend has now been reversed.

But as pressure on land continues, the prospect must be much higher vegetable protein costs. These will significantly improve the economics of protein from oil or gas. Though its plant will not be operational for another three years, ICI calculates it will be asking around £300 per tonne for its feed in granular form suitable for bulk supply to feedstuff compounders, mainly for use in poultry feeds. It estimates about £450 per tonne for Pruteen powder—for use with whey powder in calf milk replacer formulas. These prices compare with around £150 per tonne for soya, but greater quantities of soya have to be used because it is not as rich in protein as the new oil or gas-based products.

Self-sufficient

Even with the addition of the new BP and ICI production, single cell protein will clearly be playing only a very small part in meeting Europe's protein for animal feedstuffs requirements. In the longer term, however, the various processes, if they prove economic, could help Europe become much more self-sufficient in food production. Just as importantly land will be freed in other parts of the world for production of food for man rather than animals.

"A 100,000 tonnes-per-year plant such as our Sardinian plant can produce as much protein as 150,000 acres planted with soya or 5m. acres used for grazing cattle," Mr. Watts says. For Britain in particular the development of single cell proteins could give a new meaning to the concept of the North Sea as a harvest.

BIDS AND DEALS

J. Bibby offer to Clyde Paper

J. Bibby is to make a cash offer for Clyde Paper worth a total of £228,320, which has already received irrevocable acceptances of 54.37 per cent. Ordinary holders are being offered 4p per share and Preference holders 40p per share.

Clyde, which operates in the field of extrusion coating and finishing incurred a trading loss last year of £387,000, including an extraordinary loss and write-downs of stocks and work-in-progress. Net assets of the group amounted to £387,000 at March 31, 1976.

Clyde underwent a change of management in 1971 following which the unprofitable paper-making operations were closed down. Since then, the Board has been concentrating on making the remaining extrusion side viable, and in the years 1973-74 and 1974-75 the company moved into profits—£10,119 and £76,832 respectively—for the first time in many years. However, the recession has pushed Clyde back into the red and it now sees its future as part of a large group. With the market price below par value, Clyde has been unable to issue further shares to raise more capital.

Bibby, following the acquisition, is expecting to make some limited capital investment in its new subsidiary. A certain amount of Bibby business will also be passed through Clyde and more effort will go into marketing and improving the product mix.

The attraction for Bibby is that Clyde can be put together with Henry Cooke, an existing subsidiary, which is in the field of conversion and finishing of paper products. The two businesses are close to each other.

The interests of the present employees of Clyde have been safeguarded.

N.M. Rothschild is acting for Bibby and Charterhouse Japhet for Clyde.

WILLIAM REED

Birmingham and Midland Counties Trust, which is controlled by Ferguson Securities, has increased its holding in William Reed by 1,524,084 shares to a total of 3,124,084 shares, which represents 69.9 per cent. of the capital.

The increase follows the rise in the William Reed capital in connection with the acquisition by Reed of William Uttley and William E. Rees. Birmingham and Midlands County held roughly two-thirds of the William Reed equity prior to the increase.

Reed now owns 91.2 per cent. of Uttley Ordinary shares and intends compulsorily to purchase the remainder. This will involve the issue of a further 132,748 Reed shares.

Capper-Neill joins tussle for Ronksley

Capper-Neill, the process plant engineers, emerged last night as a third contender in the tussle to acquire Ronksley Investments, an investment company with a 40 per cent. holding in the private wire rope manufacturers Glover Group, with a bid worth £660,000.

The offer of 5½p a share in cash compares with the 4¾p offered by Martin-Black which the company, having originally offered 4p a share, made in response to a 5¼p bid from Arthur Lee and Sons.

Capper-Neill, which has a 1½ per cent. holding in Ronksley, is also offering to buy out the remaining shares in the Glover Group not already held by Ronksley. A condition of the offer is that Ronksley's holding of Glover shares—its main asset—should not be sold or encumbered without the written consent of Capper-Neill.

In September, Arthur Lee made a £315,000 offer for Ronksley's holding in Glover but this contract was overtaken by events following the bid by Martin-Black a month later.

ENGLISH CHINA CLAYS

English China Clays has added a third shipbroking firm to its list of group companies. The long established Fowey family firm of Hannen, Samuel and Co. has been acquired by the ECC group. The business will be carried on from the present offices and Mr. Jack and Mr. Tony Samuel will remain as directors.

STEPHEN SMITH

As from yesterday morning, the share listing of Stephen Smith was cancelled at the company's request.

The market capitalisation and shareholding position is such that an adequate market in the security cannot be maintained. Over 98.3 per cent. of the shares have been acquired by Emu Wine Holdings.

Noble Grossart shares sold by Sir Hugh

Sir Hugh Fraser, whose share dealings as chairman of Scottish and Universal Investments are the subject of a Stock Exchange inquiry, has in recent months sold nearly a quarter of his personal 16.2 per cent. holding in the private Edinburgh merchant bank Noble Grossart for some £265,000.

Arrangements to place the rest of his holding, probably in Scotland, are now being discussed.

Mr. Angus Grossart, who heads Noble Grossart and who is also a "Suits" director, said yesterday: "Sir Hugh indicated some time ago that he wanted to sell his shares in Noble Grossart for personal reasons because he wished to raise the cash."

He added that the first lot of shares sold by Sir Hugh which had reduced his interest to 12½ per cent. at present had been disposed of in the early summer this year to a Scottish institution for £15 each. The buyer was not one of the institutional investors which already had stakes in Noble Grossart, the main shareholders in which, apart from Sir Hugh and Mr. Grossart, are American Trust, Scottish American Investment, and Scottish Northern Investment Trust. Stenhouse Holdings also has an interest.

It emerged after "Suits'" annual meeting last Thursday that Sir Hugh was selling his full 16.2 per cent. holding in Noble Grossart. Asked whether he himself was likely to cease to be a director of "Suits," as has been suggested, Mr. Grossart said yesterday: "My role on the Board has not been discussed."

At last Thursday's meeting, Sir Hugh Withstood certain calls for his resignation as chairman of "Suits" following controversy over directors' share dealings and over a £4.2m. loan, now written off, which had been misclassified as cash in the 1975 accounts.

EQUITY ENTERPRISES

Mr. Daly and Mr. Dawson and their associates now own 4,491,057 Ordinary shears in Equity Enterprises, representing 60.39 per cent. of the capital and the offer has been extended until further notice.

Currys' half time profits down by £0.76m.

CASH TAKINGS of Currys for the half year ended July 28, 1976, increased from £52.82m. to £56.84m., but pre-tax profit fell to £3.68m. from last time's £4.44m. This is attributable to the smaller release from provision for unmatured profit on credit trading, down from £1.65m. to £0.26m.

The directors consider the improvement in trading results before provisions for unmatured profit satisfactory. Turnover for the period was a record.

Turnover since the end of the half year continues well ahead of last year, says chairman Mr. Curry. On the assumption that there is no significant change in trading conditions the directors are moderately optimistic and they hope to be able to report profits for the year in advance of the record achieved in 1975-76, when the company made pre-tax profits of £8.08m. and paid a dividend of 3.6949p net per 25p share.

	Half year 1976 £000	1975 £000	Year 1975-76 £000
Cash takings	56,537	52,819	114,733
Trading profit	3,533	4,433	8,041
Surplus prop. sale	145	—	41
Depreciation	583	609	1,289
Interest recd. (net)	453	417	919
Profit before tax	3,678	4,435	8,082
Taxation	1,912	2,336	4,371
Available	1,768	2,099	3,711

Earnings per share are stated at 7.5p against 8.9p for the first six months of last year and 16.2p for the year as a whole.

Hire purchase and gradual payment balances were £8.88m. after provision for unmatured profit of £5.94m. compared with £9.25m. after provision of £6.19m. six months earlier.

Mr. Curry states that the acquisition of R. W. Proffitt in August from Loyds Retailers for about £3m. has increased the group's market penetration and should considerably improve its profit potential in the longer term. It is expected that the additional units wil make a contribution to profits before the end of the current year.

See Lex

Building Societies to merge

Agreement in principle has been reached between Coventry Economic Building Society and The Stourbridge, Lye and District Permanent Building Society, for a merger of the two societies. The Coventry now has assets of over £170m. and the Stourbridge assets total £6.5m.

It is felt that this form of amalgamation of interests is a logical development in the building society movement and will enhance the services and facilities available to members of both societies.

On completion of the merger, Mr. R. D. Pitt, chairman of Stourbridge, will join the main Board of Coventry, while certain other directors will form a Coventry regional board in Stourbridge. Mr. W. Erle Shanks will be chairman and Mr. P. B. Forde will be general manager of the merged societies.

Dale Electric upsurge

FROM A SHARPLY increased turnover of £6.25m., against £3.91m., first half pre-tax profit of Dale Electric International expanded from £0.62m. to £1.07m. The figure for the year to January 3, 1976, was £1.59m., from a turnover of £9.41m.

Earnings per 10p share for the six months advanced from 5.91p to 10.2p, and the interim dividend is stepped up from 1.75p to 2p net. Last year's total was 4.435p.

Net profit came out at £515,043 (£298,043), after tax of £558,000 (£322,800).

The outstanding order book at end September is £9.8m., an improvement over the equivalent period. The new administration centre is now complete and the office space bottleneck that limited additional marketing has now been eased, it is stated.

● comment

With 70 per cent. of orders in exports, the fall in sterling was clearly going to be a boost for Dale Electric. The net result is higher margins on overseas sales with a 59 per cent. increase in turnover leading to a 72.8 per cent. jump in pre-tax profits. Orders, which now stand at £9.8m., represent nine months' work, and, with new orders still coming in steadily, a major priority must be to achieve faster work cycles. The new plant at Hull is now operating at full capacity so further expansion will come from the extension to the switchgear unit at Filey which will be ready next March. In the meantime prospects are good for a repeat of the first half level in the second six months suggesting a total of around £2.5m. pre-tax. On that basis, with the shares at 122p, this would give a prospective p/e of around 6.0 and a maximum yield of 6.5 per cent.

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Advance at Change Wares

ON TURNOVER of £11.46m. compared with £9.14m., profits of Change Wares increased from £202,790 to £266,339 in the year ended July 3, 1976 subject to tax of £137,302 against £105,909.

At half-way, reporting a fall in profits from £183,000 to £144,000, the directors said that, given a continuation in existing patterns of trade, both at home and overseas, they were confident that second half results would be no less than those of the first.

The dividend total is held at 3.04566p net per 10p share with an unchanged final of 2.17066p.

	1975-76 £	1974-75 £
External turnover	11 462,100	9,135,598
Profit before tax	266,339	202,790
Tax	137,302	105,909
Net profit	129,037	96,881
Interim dividend	21,898	21,898
Proposed final	39,298	59,298
Carried forward	45,853	13,697

The group manufactures wire-mesh shelving for the retail trade and wire based components for domestic appliances.

Nthn. Indust. Trust

rents of Northern Industrial Improvement Trust amounted to £98,002, against £99,780, and net profit was down from £53,835 to £45,332, after tax of £34,064 (£32,067) etc., for the year to March 31, 1976.

Earnings per £1 share decreased from 4.4p to 3.7p, and the dividend is maintained at 3.3p net with a final of 2.3p.

Raine Engineering up to record £0.75m.

ON SALES up by 32 per cent. to £11.79m., pre-tax profits of Raine Engineering Industries advanced from £565,000 to a record £752,000 for the year to June 30, 1976, after £327,000, against £261,000, for the first half.

	1975-76 £000	1974-75 £000
Home sales	10,422	7,565
Export	1,372	1,378
Total sales	11,794	8,943
Trading profit	935	652
Investment income	11	5
Bank interest	194	92
Profit before tax	752	565
Tax	370	298
Net profit	382	267
Dividends	130	63
Retained	252	202

Adjusted earnings are shown to be up from 2.319p to 3.079p per 10p share and, as promised, the final dividend is 0.65p net on capital increased by the rights issue of last March. This effectively lifts the total from 0.598p to 0.975p net. A one-for-four scrip issue is also proposed.

Net assets stand at 32p per share.

Members are told that Raine's new house-building subsidiary, P. Hassell made a significant contribution to the year's profits, fully in line with the Board's expectations at the time of acquisition. Hassell's land bank has been increased and is now adequate for more than two years production.

Capital investment aimed at future expansion of production at the Newcastle factories has continued and turnover has been at satisfactory levels despite the recession.

The directors report an improving order book and hope that as a result of recent acquisitions and modernisation projects turnover and profitability will be maintained.

● comment

The apparent acceleration in profits growth at Raine Engineering—up 40 per cent. in the second half after an interim rise of 25 per cent.—is a distortion created by the inclusion of Hassel. Stripping out Hassel's contribution of £374,000 for the full year, the profits increase of a third turns round to a decline of a third for the original group. The problem has been Effingham where the recession in cold strip, reflecting lower demand from the consumer product manufacturers, resulted in a loss for the year. However, there is evidently a marked improvement and Effingham is currently operating at a profit. Elsewhere re-rolling and general engineering have held their own, but the trading pattern now is not materially different from last year, so any improvement this year will probably have to be recovery at Effingham. Despite these problems the shares at 14p are being treated cautiously with a p/e of only 4.3 and yield of 11.2 per cent.

S. C. BANKS

Sydney C. Banks has been advised that, at its year end of May 31, 1976, it was technically a close company for tax purposes.

This situation no longer obtains, and that directors have also been advised that there will be no adverse tax consequences for the company arising from close company status in this case and that the company will continue to be subject to normal dividend restraint.

Midterm leap by J. E. England

POTATO, grain, fruit and vegetable growers, J. E. England and Sons (Wellington) reports an upsurge in pre-tax profits from £147,981 to £602,602 for the first half of 1976 on sales of £15.82m. compared with £6.75m. Profits for all 1975 reached £564,490.

First half earnings are shown to be up from 1.4p to 5.77p per 5p share and the interim dividend is lifted from 0.3p to 0.33p net. Last year's total was 1.1555p.

The directors say that trading conditions for the commodities in which the company deals continued to be buoyant during the first half resulting in the substantial increases in turnover and profit.

The Board now expects a second season of potato shortage and high prices due to the drought. During the next 12 months it is likely that this situation will again lead to profitable trading including opportunities for imports and also a higher return from the company's own potato growing.

The company continues to work closely with processors, who are using a substantial percentage of annual potato crop and the company is increasing its share of this market.

The seed potato trade is expanding and now includes marketing of new varieties, with export connections being extended to take advantage of further opportunities.

The directors are confident that all these activities will stand the company in good stead when more normal trading conditions return.

British Tar loan stocks

British Tar Products has reached agreement with the holders of the existing 7 per cent. convertible unsecured loan stocks, 1992, of BTP whereby, in consideration for the holders agreeing to subscribe up to £200,000 nominal of 10¾ per cent. loan stock, 1992, of BTP at par, convertible at any time into Ordinary shares at the rate of 31p nominal of stock for each Ordinary 10p share, BTP has agreed to increase the coupons on the existing convertible loan stocks, from 7 to 10¾ per cent

The existing convertible loan stocks of BTP are held by certain pension funds of Imperial Chemical Industries; the subscription terms will provide that the equity interest of existing convertible loan holders will not, when aggregated with their holdings of Ordinary shares of BTP, exceed 25 per cent. of the total BTP equity at subscription date assuming full conversion of all BTP convertible loan stocks at such date.

Proceeds of the subscription of the further £200,000 nominal of 10¾ per cent. Stock will be used to finance a projected chlorination plant at Oswaldthistle.

The further issue of convertible stock will be subject to approval by Ordinary BTP holders. Holders of the convertible stocks have informed BTP that they do not intend to convert into BTP Ordinary shares prior to March 31, 1980.

Customagic overseas drive

ALTHOUGH NOT wishing to forecast for the current year of Customagic Manufacturing Company, the chairman, Sir Cecil Burney, says the directors are not unhopeful of the prospects.

Significant strides in product technology together with new developments will make substantial contributions to sales and continued market leadership, he adds. The company manufactures ready-made loose stretch covers and curtains.

During the year to April 30, 1976, some excellent connections were built up abroad, and the company is using its marketing skills to extend the range of merchandise.

As reported on July 28 group pre-tax profit for the past year was £315,000 (£306,000) on a turnover of £5.22m. (£3.92m.).

Payments under the agreement with Customagic International of America (£60,000 for 1975-76) have been completed and the company is now receiving income from Customagic France (£90,000 last year). If trading conditions in Europe improve, as anticipated, those payments should increase.

Meeting Openshaw, October 28, at 2.30 p.m.

BURTON WINDING UP INCENTIVE

Shareholders of the Burton Group are being asked to approve the winding-up of the company's share incentive scheme for directors and senior executives, at an extraordinary meeting on October 20.

The scheme was initiated in 1969 since when 16 executives have taken up 605,000 shares of which 575,000 are only 2½p paid up.

Discontinuance of the scheme will mean that all monies initially subscribed will be forfeited, but no gain or additional loss will accrue to the participants.

RESULTS AND ACCOUNTS IN BRIEF

THE ALVA INVESTMENT TRUST—Interim dividend 2.475p (2.1125p). For half year to August 31, 1976. Gross income £62,221 (£73,669). Expenses £6,310 (£5,421), revenue before tax £75,911 (£68,248). Investments £1,585,986 at August 31, 1976 (£1,366,535 at August 31, 1975), net asset value of 25p shares 98.2p (85.5p).

BEYER PEACOCK AND CO. (box-making machines, structural frame and conductor rail makers)—Results year to April 4, 1976, already known. Group fixed assets £1.02m. (£1.04m.), net current assets £1.88m. (£1.83m.). Meeting, Winchester House, E.C., October 27, 12.30 p.m.

BURMA MINES—Gross revenue for six months to June 30, 1976, £14,410 (£18,010). Expenses £9,929 (£11,038). Tax £798 (£2,429). Net asset value 8.0p (7.3p). Davis Investments (Jersey) has increased its interest in the company and now holds 2,172,500 shares (16.04 per cent.).

CHANNEL ISLANDS AND INTERNATIONAL INVESTMENT TRUST—Interim dividend nil (4p gross and 15p total). First half 1976 gross revenue £71,909 (£50,374) less management and other expenses £11,589 (£10,276) leaving revenue £60,320 (£40,098) before Jersey tax £12,064 (£8,020). Net revenue £48,256 (£32,076). Interim dividend nil (£32,000). Balance carried forward £48,256 (£76). Revaluation of subsidiary's holdings shows book loss of £5,112 for six months not reflected in net revenue shown. Subsidiary had accumulated losses of £38,101 at January 1, 1976, and profits or losses made during 1976 will take this carry-forward into account. Consolidated net assets attributable to capital shareholders, including investments at market value on June 30, 1976, £1,992,125 (£1,815,604) or 395.425p (363p) per £1 capital share. Market values of foreign currency securities converted into sterling at 75 per cent. of investment dollar premium ruling at date of valuation.

CHANNEL TUNNEL INVESTMENTS—Profit for first half 1976 £4,673 (£18,523) before tax £1,963 (£9,913).

CRADLEY PRINTING COMPANY—Profit £121,135 (£116,256) year to June 30, 1976 less tax £6,418 (£32,029) plus a further transfer to tax equalisation account of £53,000 (£4,000), leaving net profit £59,717 (£59,557). Dividend 0.845p net (0.5125p) per 10p share. Total waivers on dividends £23,677. The company is close.

GRIPPERRODS HOLDINGS (manufacturers of carpet laying fittings and accessories)—Results year to April 30, 1976 and observations on prospects already known. Group fixed assets £0.64m. (£0.44m.). Net assets £1.62m. (£1.31m.). Meeting, Horsham, October 25, at 11.30 a.m.

GEEVOR TIN MINES—Results year to March 31, 1976, already known. Fixed assets £0.37m. (£0.38m.), net current assets £0.28m. (£0.32m.). Meeting, Penzance, October 19, 12.15 p.m.

F AND C EUROTRUST—Results for year to June 30, 1976 reported September 21. Investments £4.67m. (£4.74m.). Net current assets £193,978 (£88,919). Meeting, 1-2 Laurence Pountney Hill, E.C., on October 27, at 12.30 p.m.

H. J. HEINZ COMPANY—Second interim dividend 3.4125p per share, payable October 28.

HUDSON BAY MINING AND SMELTING OF TORONTO—Dividend of 20 cents per share for the third quarter of 1976 payable in Canadian funds on October 25.

HUME HOLDINGS—Results for year to June 30, reported August 12. Total net assets £18.15m. (£15.59m.), investments: stocks and shares £15.99m. (£12.16m.); properties £3.29m. (£3.07m.); associates £0.79m. (£0.56m.). Current assets £1.44m. (£1.56m.), liabilities £2.23m. (£2.68m.). Chairman says it would be reasonable target to increase distributable revenue in 1976-77. Meeting, Winchester House, E.C., on October 28, at noon.

IMPALA PLATINUM—Results for the year to June 30, 1976, already known. Group fixed assets R190.39m. (R129.84m.). Current assets R63.72m. (R35.54m.). Current liabilities R73.76m. (R69.07m.). Meeting Johannesburg, November 15.

LIDEN (HOLDINGS)—Whitewood furniture manufacturers and timber importers. Turnover half year to May 31, 1976, £1,631,085 (£1,684,617), loss £21,521 (profit £2,228), after tax credit £63,398 (charge £2,334), loss per 10p share 0.422p (earnings 0.046p), no interim dividend (same).

LONDON PAVILION—Turnover £23,619 (£22,092) for first half 1976. Gross investment income £9,781 (£9,623), net rental income—cinema £1,541 (same) and signs, debit £6,000 (debit £1,675). Deduct rent, directors fees and management expenses £11,953 (£11,616), leaving profit £17,015 (£19,985) before tax £7,537 (£12,492). Debit extraordinary items £2,608 (£867).

LYDENBURG PLATINUM—Final dividend 5.8 cents for 7.2 cents total (2.0 cents). For the year ending October 31, 1976, estimated income from investments R1,085,000 (R375,000), other income R75,000 (R52,000), provisions written back nil (R148,000). Administration expenses and drilling costs R107,000 (R165,000) leaving net income R1,043,000 (R610,000). Earnings per share 7.24 cents (4.24 cents).

MATTHEW CLARK AND SONS (HOLDINGS) (wine and spirit shippers and merchants)—Results year to April 30, 1976, reported September 15. Fixed assets £1.68m. (£1.39m.), net current assets £4.52m. (£3.8m.). Meeting, Winchester House, E.C., October 21, at 11.30 a.m.

MEAT TRADE SUPPLIERS—Results year to April 3 1976, already known. Fixed assets £567,528 (£587,191), net current assets £1,260,230 (£1,122,600). In directors' opinion market value of freehold properties shown at £499,799 is approx. £1m. greater. Chairman says company requires, but does not anticipate, more buoyant trading conditions to maintain profits. Search for an acquisition continues, no suitable company found so far. Meeting, Winchester House, EC, November 5, noon.

MIDDLE WITWATERSRAND (WESTERN AREAS)—Results year to June 30, 1976, already known. Group investments R24.74m. (R23.3m.), including listed R16.4m. (R16.11m.) with market value R44.37m. (R67.96m.). Net current assets R2.44m. (R3.21m.). Meeting, Johannesburg, November 1.

MORAN TEA HOLDINGS—Accounts for year to March 31, 1976, delayed by late receipt of returns from India, annual report and accounts unlikely to be published until December.

SMYTH AND CO. (hosiery and knitwear manufacturers)—Turnover, six months to June 30, 1976, £265,129 (£252,799). Pre-tax profit £6,912 (£7,238). Tax—transfer to tax equalisation account—£3,100 (£3,850). Earnings per 25p share 1.05p (1.22p). Order books remain at a reasonably high level, financial position remains strong, and company is considered well placed to take advantage of any upturn in economy, directors state.

SOUTHERN KINTA CONSOLIDATED—Results for year to March 31, 1976 already known. Fixed assets £837,000 (£1.22m.). Current assets £3.45m. (£3.91m.), liabilities £3.46m. (£3.81m.). London Tin Corporation holds 31.8 per cent. of the equity and Datuk Keramat Holdings 10 per cent. Meeting, 53-61 Moorgate, E.C., on October 29, at noon.

WEST HARTLEPOOL STEAM NAVIGATION COMPANY—Results for the year to March 31, 1976, already reported. Group fixed assets £3.73m. (£3.95m.). Net current assets £3.49m. (£4.97m.). Meeting, Hartlepool, on October 29, at 12.15 p.m.

WOLVERHAMPTON RACECOURSE—results year to December 31, 1975 already known. Fixed assets £213,207 (£213,277), net current assets £36,061 (£40,191). Chairman fears continued pattern of dry summers will mean a reduction in number of runners. Meeting, Wolverhampton, October 21, noon.

BOARD MEETINGS

The following companies have notified dates of Board Meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

Interims:— Averys, Bankers Investment Trust, Bunzl Pulp, Cape Industries, Clive Discount, Compton Sons and Webb, Freemans (London S.W.9), Gough Bros., Grattan Warehouses, Higgs and Hill, H. and J. Hill, Holt Lloyd Int., Percy Lane, Ruberoid, Senior Engineering, Silentnight.

Finals:— Bazaloni, W. Boulton, Herrburger Brooks, S. Lyles, Petrocon, Ramar Textiles.

FUTURE DATES

Interims:—	
Allied Irish Banks	Nov. 24
Altifund	Oct. 7
Booth Int.	Oct. 6
Farnell Electronics	Oct. 8
Glossop (W. and J.)	Oct. 6
James (Maurice)	Oct. 14
Lankro Chemicals	Oct. 28
Office and Electronic	Oct. 8
Reed (Austin)	Oct. 7
Storey Bros.	Oct. 15
Trust Union	Oct. 27
Finals:—	
Courtney Pope	Oct. 7
French (Thos.)	Oct. 13
Leyland Investment	Oct. 29
Photo-Me Int.	Oct. 14

G. R. Francis current year sales up

Although in the current situation it is impossible to forecast this year's results of heating and plumbing merchants, GR Francis Group, turnover to date is still improving, says the chairman, Mr. G. R. Francis.

New premises were opened early last month and trading signs are extremely encouraging, he adds.

Sales from the Francisca range continue to show excellent results, and further products are planned.

Despite difficulties in the building trade, turnover increased by 29 per cent. to £4.1m. in the year to March 31, 1976. As known pre-tax profit advanced from £70,012 to £158,177.

Meeting, Birmingham, November 1, at 2.30 p.m.

SAVE & PROSPER INSURANCE OPTION

Optional term insurance is now available with Save and Prosper Group's regular premium self-employed pension scheme, which was introduced in May, 1976. Under the new option contributors can obtain extra protection by taking out additional insurance for a sum assured of at least £5,000. Further increases in cover can also be effected at any time by taking out new policies provided the minimum sum assured is £1,000.

Premiums paid under this provision of the scheme are allowable for full income tax relief provided that these and any similar premiums do not in any year exceed £750 or 5 per cent. of the contributor's net earnings, whichever is the lower.

Parker Timber optimistic

DESPITE A continuing rise in overheads and the effects of inflation, indications are Parker Timber Group will again produce a successful year's trading, says the chairman, K. Whitby.

He reports that turnover for the first five months is 35 per cent. higher in value than during the same period last year.

Liquidity remains sound, with net current assets at March, 1976, of over £4.4m. During the year £1.094m. was invested in capital projects, which reflects confidence in maintaining the modernisation programme, which will continue during the current year (capital expenditure contracted was £0.43m. (£0.22m.) and authorised but not contracted £141,000 (£25,000).

Last June a new factory on five acres was purchased. The freehold site at Pinxton contains the building components division transferred from the [illegible]wick Branch. Considerable expansion is anticipated in activity.

Parker Timber (Plywood) opened an office in Bristol and the initial results with business in Wales and the West Country have been excellent.

It is intended to pursue further expansion to increase geographical coverage of the U.K.

As reported on August 21 group pre-tax profit for the past year expanded from £1.78m. to [illegible] on a turnover of [illegible] (£24.87m.).

Meeting, Erith, October [illegible], noon.

Progress by Holcombe

Turnover of Holcombe Holdings increased from £6.47m. to £7.9[illegible] and pre-tax profit advanced from £335,724 to £402,991 in [illegible]. Exports amounted to £828[illegible] (£274,000).

Given no deterioration in the economy the group should continue its profitability this year, says the chairman, Sir [illegible] Shields.

An unchanged dividend of [illegible] per 20p share payable October [illegible] is declared. Earnings were [illegible] (2.7p) per share. The ultimate holding company is Central [illegible] Sheerwood.

	1976 £	1975 £
Foundry turnover	5,713,591	4,859,[illegible]
Engineering	2,221,952	1,616,[illegible]
Total turnover	7,935,543	6,465,[illegible]
Foundry profit	324,977	[illegible]
Engineering	75,880	[illegible]
Other	2,134	[illegible]
Total profit	402,991	[illegible]
Taxation	257,952	[illegible]
Minority interests	2,007	[illegible]
Attributable	143,032	[illegible]
Dividend	56,703	[illegible]
Retained	86,329	[illegible]

Meeting, 36 Chesham Place, S.W., October 28, noon.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price p	+ or —	Div. Net Amount	Times Covered	Gross Yield
—	F.P.	—	£10½	830	AmrienMedInt.Inc($1)	£10	......	Q24c	—	1.3
—	F.P.	—	£28	£27½	Berry Pacific Fd. US$1	£28	......	40c	—	0.7
50p	F.P.	17/9	[illegible]	63	Borthwick (Thos.) 50p	63	......	5.5	2.0	13.4
—	F.P.	—	£301¼	£263	Dentsply Int. Inc. ($1)	£285	......	—	—	—
—	F.P.	—	£31	£25½	Esmark $US1	£29⅛	......	Q$1.52	—	2.9
[illegible]	F.P.		152	[illegible]	Tolux S.A. 11	150	......	—	—	—

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price
[illegible]	F.P.	—	106½	101½	Dentsply 9% £1/$ Conv. Uns. Loan 1991/96	103
£98.5	£10	29/10	£9	£8½	Eastbourne Waterworks 9% Red. Pref. '83	£9
[illegible]			[illegible]	[illegible]	G.T. Asia (Sterling) Fd. Prt. Red. Prf.(1p)	101
US$99	F.P.	—	$97¾	$96	Gotaverken 9½% Notes 1983	$98½
US$100	F.P.	—	[illegible]	[illegible]	Ind. Fund of Finland 9% Guar. Notes '84	[illegible]
£99½	£50	17/12	50	47	Islington 13¼% Red. Stock 1982	47½
£94	£10	4/2	11½	11½	Mid-Sussex Water 8% Red. Pref. 1981	11
£97	F.P.	28/10	98¾	97½	Mid-Sussex Water 14% Red. Deb. 1982	98
US$100			[illegible]	[illegible]	New Brunswick (Province of) 8½%	$101
US$99	F.P.	—	$97¾	$92	Norsk Hydro 9% Bds. 1991	98
£100	F.P.	1/10	100	94	Portsmouth Water 8% Red. Prf. Stk. 1981	94
US$100	Nil	12/11	[illegible]	98½	Royal Tst. Mort. 9¼% Red. 1982	99
US$100	F.P.	—	$100	$99½	Saskatchewan (Prov. of) 8½% Bds. 1986	$100
£99	£25	19/11	25½	25½	York Water 15% Red. Deb. 1984	25

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date		1976 High	1976 Low	Stock	Closing Price p
10	Nil	15/10	5/11	31½	24	Armstrong Equipment	24
15	F.P.	8/10	8/10	15¼	15¼	Astra Sets	14
$A5.50	Nil	5/11	—	180	160	Bank N.S. Wales	180pm
115	Nil	—	—	23	10	Black & Edgington	10pm
10	F.P.	27/9	12/11	11	8	Bonas Webb	8
$A4	Nil	—	3/12	385	345	Broken Hill Props.	385pm
50	Nil	—	—	6	5	Brown (Matthew)	6pm
27	F.P.	24/9	5/11	32	25½	Buckleys Brew	30
10	F.P.	10/9	8/10	22½	18½	Charterhall Finance	18
$A1.75	Nil	29/10	12/11	120	77	Comm. Bk. Aust.	80
25	Nil	—	—	5	3½	Fairbairn Lawson	4pm
40	Nil	—	—	27	22	Lonrho	23pm
30	F.P.	26/9	15/10	41½	38½	Nelson Estates	41
25	F.P.	1/10	2/11	30	25	P.M.A.	25
200	F.P.	19/8	1/10	231	214	Reed Intl.	225
24	Nil	[illegible]	8/10	32	23	Second City Prop.	24
30	Nil	8/10	12/11	6½	5	Shakespeare (J)	6½pm
$A1.20	F.P.	16/7		161	83	Western Mining	110
5	F.P.	24/9	15/10	8	7	Whatlings	7
75	F.P.	17/8	1/10	97	84	Whitecroft Ind.	84
70c	F.P.			94	...	Woodside-Burmah	94

Renunciation date usually last day for dealing free of stamp duty. [illegible] price to public. [illegible] basis [illegible] estimate. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. [illegible] unless otherwise indicated. [illegible] earnings [illegible] Gross. † Figures assumed. [illegible] Offered to holders of Ordinary shares as a "rights." [illegible] by way of capitalisation. [illegible] connection with reorganisation, merger or take-over. [illegible] former Preference holders. [illegible] partly-paid allotment letters. [illegible]

MINING NEWS

Good and bad at Southern Kinta

BY KENNETH MARSTON, MINING EDITOR

A MIXTURE of light and shade comes from Mr. D. R. Mitchell in his chairman's statement with the annual report for the year to last March of Southern Kinta. On the credit side are the Malaysian activities which could benefit from lease renewals and possible participation in future mining prospects now that London Tin, which owns 31.8 per cent. of the UK-registered company, has migrated to Malaysia.

Southern Kinta's selected ore reserves there ensure another 10-11 years' life for each of the Kinta section dredges and three years for the Southern Kampar unit. In addition, prospecting is to be carried out on two lower grade areas which, given favourable economic conditions, could provide a significant extension to reserves.

On the debit side, operations remain suspended in Thailand following the labour strike at the beginning of his year; the lack of lease renewals; and the outbreak of illegal mining. Plans have been shelved for a new dredge there.

Progress has been made on lease renewals for the existing Takuapa dredge, but if the illegal mining is resumed after the monsoon ends in November, Mr. Mitchell warns that it may not be possible for the company to continue mining there.

If, however, Takuapa can be restarted he thinks that with the rise in tin prices the company's 1975-76 results could be at least matched in the current year. Southern Kinta's production of tin concentrates for the past five months amounts to 343 tonnes compared with 801 tonnes in the same period of last year when Thailand operations were in progress. The shares were 88p yesterday.

SALLIES' R2M. ISSUE TERMS

The terms of the recently proposed rights issue by South African Land and Exploration are now announced. The Anglo American group's struggling gold producer is to offer 3.3m. shares on the basis of one-for-one at 60 cents (41p) to holders registered on October 8. The offer will open on October 15 and close on November 5.

As already announced, the new funds to be raised—some R1.98m.—are to be used for the continued prospecting programme to the south and south-west of the present mine workings. "Sallies" recently estimated that on the basis of "a realistic forecast of gold prices" its existing operations would have to cease at the end of next March and possibly before. The shares were 73p in London yesterday.

PILBARA MINES RESUME WORK

The latest outbreak of labour trouble at the strike-torn Western Australian iron ore mines in the Pilbara appears to be coming to an end. Men at the Paraburdoo mine of the Rio Tinto-Zinc group's Hamersley Iron have now decided to resume work, ending an eight-day stoppage at the company's three mines.

Work has also been resumed at the Telfer property of Newmont and Broken Hill Proprietary where passions ran high to the extent that at one time pickets with nail-spiked clubs and other crude weapons awaited the arrival of armed police. The various issues involved appear to be largely unresolved and a much tougher line has been taken by the companies and the Federal and State Governments.

MINING BRIEFS

AUSTRALIAN MINING AND SMELTING—

	Twelve weeks ending 11.8.76	13.9.75
Ore treated (tonnes)	397.980	461 850
Lead (per cent.)	8.5	9.2
Silver (grams)	78.2	68.6
Zinc (per cent.)	11.2	12.0
Production		
Lead concentrate (tonnes)	54,391	49.515
Gross lead (tonnes)	40.998	40.629
Silver (kilograms)	31.899	28.356
Zinc concentrates (tonnes)	102.858	100.771
Zinc (tonnes)	52.303	52.407

EX-LANDS NIGERIA—September output of tin ore, 40 tonnes (August 35 tonnes).

Trans-Natal dividend aim

ANTICIPATING significantly higher earnings for the year to next June, a major South African producer, Trans-Natal Coal Corporation, part of the General Mining group, is aiming to increase its dividend from 9.5 cents to 15 cents (10.26p). The chairman, Mr. G. Clark, says in his annual statement that the Board is proposing a rights issue of 5m. shares. There are 42.3m. shares in issue at present.

To keep pace with expansion over the last decade, Trans-Natal is seeking to increase its authorised capital from R25m. to R27.5m. (£18.8m.). It is also proposing to make a debenture issue.

Towards the end of the last financial year, Trans-Natal brought three new major coal operations into production. Allied to the increase in the controlled domestic prices for coal, these projects will be the main factor in the expected higher earnings for the current financial year.

More projects involving a total expenditure of R200m. (£136.9m.) are under way and although a large portion of the capital needed will come from customers and partners like BP, Total, McAlpine and Clydesdale (Transvaal) Collieries, total cash requirements for Trans-Natal between now and June, 1981, are estimated at R79.4m. (£54.3m.) by Mr. Clark.

The requirement for 1976-77 is R16.7m. and rises to a peak of R30.9m. before tapering off to R1.1m. in 1980-81. The new projects, which involve Matla Colliery, Ermelo Mines, Optimum Colliery, the acquisition of proved coal reserves held under prospecting permits and expenditure on mines already operating, will increase Trans-Natal's sales tonnage from 18m. tonnes to 33m. tonnes a year.

Meanwhile, the proposed merger of Lonrho's South African coal interests, which brings Tweefontein United Collieries and Witbank Consolidated Coal Mines under the umbrella of Tucker Exploration, presages more new projects. With a group capitalised at about R60m. (£41m.) capital will be easier to raise than for any of the individual group companies.

Our Johannesburg correspondent reports that the first project mooted is a new domestic trade colliery at Tweefontein costing R34m. (£23.2m.). Others are a new anthracite prospect in Natal and the exploitation of metallurgical coal in the Witbank area.

ROUND-UP

The Japanese steel industry is seeking longer-term supply arrangements with U.S. collieries than the annual import deals that exist at the moment, Nippon Steel says. The industry has been discussing a three-year import arrangement with Consolidation Coal and negotiations with Pittston start next week.

* * *

Two French groups, Mokta, which is an Imetal unit, and the state-owned Charbonnages de France, have been given an option to acquire up to 50 per cent. of Wambo Mining, a coal producer in New South Wales, Australia, owned by Hartogen Exploration. The option will be taken up if a feasibility study indicates that the mine's annual production of 400,000 tonnes can be substantially increased.

* * *

The American iron ore producer, Marcona Mining, is to receive compensation worth $61.4m. (£36.7m.) from Peru for the expropriation of its assets in July, 1975. Peru will pay $37m. in cash. The balance is made up of sales contracts at advantageous rates to Marcona and a shipping agreement.

* * *

Peru is negotiating with Japanese mining interests for finance and contracts worth $600m. (£359.4m.) to develop the Michiquillay copper mines, 500 miles north west of Lima. Ore reserves are estimated at 415m. tonnes and production could be at an annual rate of 100,000 tonnes of copper concentrates. A Japanese consortium led by Mitsui Mining has recently completed a feasibility study.

* * *

The Filipino copper producer, Western Minolco, has raised $25m. (£14.9m.) on a 5½-year loan to finance expansion. The loan was syndicated by Chase Asia.

ENTERTAINMENT GUIDE—Cont.

CINEMAS

ART GALLERIES

BUSINESS AND INVESTMENT OPPORTUNITIES

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Pan American to replace short-term bank credit

BY JAY PALMER NEW YORK, Oct. 4.

PAN AMERICAN World Airways, America's largest international flag airline, is now in the midst of negotiating a new massive credit line with its banks and its institutional lenders to replace the expiring $90m. aid package secured a year ago.

Although Pan Am had available $90m. worth of credit under that deal, the airline never borrowed more than $65m. and that debt was fully repaid last July. While the carrier stressed that it does not need any credits in the immediate future, it said that it has secured a technical 30-day extension of the 1975 agreement.

This extension is designed to give Pan Am time to secure the essential agreement of its institutional creditors, who now hold nearly $700m. of the airline's very long-term senior debt, to a new short-term revolving credit with its banks.

The airline said that it has already negotiated a new deal with its 23 banks, which are unofficially led by Citicorp. Extended to last a full two years, this will be for a lesser amount of only $75m. The interest rate has not yet been set.

While Pan Am is now relatively healthy financially, at least in comparison with its condition 12 months ago, it remains probable that the huge airline could not survive over any extended period without the aid of its creditors.

Thanks to a very strong upturn in the seasonally good autumn quarter of this year, Pan Am can now report eight months' net profits of $88.4m. compared with its loss in the same period of 1975 of $12.8m. However, the airline itself admits that this is very largely a paper profit coming after tax credits and its successful reduction of balance sheet debt through a conversion of debentures for convertible subordinated stock.

The airline's operating earnings over these same eight months total $4.3m. compared with $500,000 in 1975. Even this increase owes everything to an abrupt August upturn when the airline made operating profits of $28.7m.

Colgate optimistic on profits

BY JAMES SCOTT TORONTO, Oct. 4.

COLGATE Palmolive Co. of New York will lose about $180m. in sales this year because of currency weakness in some areas of the world in which the company operates, David Foster, chairman of the company told a meeting of financial analysts in Toronto.

Nevertheless, he predicted that worldwide sales on a consolidated basis should rise by 5 or 6 per cent. over last year's $2.86bn.

In addition, he predicted a profit increase of about 11 per cent. from last year's $118.9m. or $1.73 a share.

Mr. Foster, who is visiting a number of countries where the company operates, said his purpose was to talk about Colgate Palmolive's outlook, which he described as excellent and to explain the shifts in structure that are being made within the company's business

"We want to be less and less associated with soaps and toiletries," he said. "For instance, the recent acquisition of Riviana Foods at Houston, Texas, gives Colgate an entry into the food business. Riviana is one of the largest exporters of rice in the U.S."

He is optimistic that Canadian operations of Colgate will post good gains this year after recovering from a six weeks' strike last year that caused the company to lose a substantial portion of its Canadian detergent market. Detergent sales represent 28 per cent. of Colgate's Canadian overall business and the company's share of the market dropped to 13.5 per cent. during the strike from a regular 16.5 per cent.

However, sales are coming on strongly and the company expects to regain its position.

Sperry Rand aims

VIENNA, Oct. 4.

SPERRY RAND Corporation is aiming for an increase in profits per share of an average 12 to 15 per cent. over the next five years, vice-president Alfred Moccia stated in Vienna.

He told journalists the company expected to be able to profit from good business prospects in its two principal spheres of activity, computers and agricultural machinery.

The company made a profit in the first five months of the year despite losses from foreign exchange developments of $12m., or 42 cents a share.

Mr. Moccia said Sperry Univac aims to increase turnover by 15 per cent. a year on average in the next five years. The company is interested in joint ventures in the computer field, he added. Reuter

Earnings slip at Gulf Canada

TORONTO, October 4.

GULF OIL CANADA expects 1976 earnings to be "a little less" than 1975's record of $176.6m. or $3.88 a share but a somewhat higher trend is seen for 1977, C. D. Shepard, chairman and chief executive, and John Stoik, president, said to-day.

In the first half of this year Gulf Canada earned $76.1m. or $1.67 a share down from $84.7m. or $1.86 a share in the 1975 period. Revenue rose to $916.9m. from $811.4m.

Mr. Stoik said earnings in 1977 should be "back up a bit" but the increase "won't be a significant bulge" over this year.

Analysts are forecasting Gulf Canada 1976 earnings will slip to about $3.80 a share from last year's $3.88 a share.

Mr. Shepard said the 68.5 per cent. owned unit of Gulf Oil Corp. is "looking closely" at possible public financing of a portion of its record $467m. capital spending programme for this year. But, he added, the company is in a "good financial position and we shall only go for outside financing if the price is right."

The spending programme was said by the president to be moving along according to plan but a few things "may fall by the wayside." Mr Stoik cited the Canadian Government's recent rejection of a Gulf Canada proposal to acquire Mosbacher Oil and Gas, a Canadian unit of Robert Mosbacher Company of Houston, Texas, for about $27m. Gulf Canada capital spending in 1975 totalled $218m.

The chairman added that petroleum product price increases implemented at the end of August seemed to be holding "reasonably well" while overall profitability of marketing operations was improving but "still not good." AP-DJ

GE bid for Utah cleared

NEW YORK, Oct. 4.

THE U.S. JUSTICE Department has announced that it does not intend to ban the proposed acquisition of Utah International by General Electric. The $2bn. deal will be the largest to be arranged between two U.S. corporations.

Utah International is a major producer of metallurgical coal and is also involved in uranium mining. General Electric is the largest U.S. maker of electric and electronic products and is a leading supplier of nuclear systems to utility companies.

Although the Justice Department's blessing makes it almost certain that the deal will go through, the authorities are nevertheless demanding that GE carry out its plan to ensure that Utah's entire uranium business be placed on an arms-length basis where it is divorced from GE management control. GE will not be allowed to buy any Utah uranium produce.

Drexel-Witter merger

Drexel Burham Group and Lambert Brussels Witter said they completed the merger of the two holding companies and the merged firm will be named the Drexel Burham Lambert Group, Reuter reports from New York. The holding company will have capital funds of about $60m.

Morgan in Italy

Morgan Guaranty Trust Company is to open branch offices in Milan and Rome early next year, writes Tony Hawkins.

Morgan Guaranty which announced previously that it would sell its 51 per cent. ownership of Banca Morgan Vonwiller if it received Bank of Italy authorisation to start up direct branch operations in Italy, says it expects to conclude the sale of its interest in the Milan-based Morgan Vonwiller to Credito Romagnolo by early November.

Credito Romagnolo has indicated that the Milan bank will continue its existing business after the change in controlling interest but its name will be changed. Besides its main office, Morgan Vonwiller has two branches in Milan and one in Rome.

Dutch bank loan

NEDERLANDSCHE Middenstandsbank NV said it plans a Fls.50m., 10½ per cent., 15-year subordinated debenture loan to be priced on October 8.

Lists open on October 12 with payment on November 1, Reuter reports from Amsterdam.

The loan, which will be used to strengthen the bank's long-term fund position, will be redeemed in 15 virtually equal annual instalments. Redemption ahead of schedule is not allowed until November 1, 1986, it added.

Stevin hopeful

Stevin, the Dutch building company, expects this year's net profits to be up about 10 per cent on those achieved in 1975, which were unchanged Fls.17.5m. Also in line with earlier forecasts the turnover should reach around Fls.1.6bn., about Fls.600m. more than the year before reports our Amsterdam Correspondent.

The company, which is based in Utrecht, said in its interim statement yesterday that turnover has amounted to Fls.685m. in the first half of this year.

Divendend from Amev

The Dutch insurance company Amev said in Utrecht that it has fixed the interim dividend at Fls.1.20 per Ordinary share of Fls.10 over its capital which was raised in May this year, reports Michael Van Os. Last year it paid Fls.1 per share.

The company stated earlier this month that this year's profits per share were likely to equal those of 1975, with profits generally expected to rise. Net profits had still decreased in the first-half, however, to Fls.17.8m. from Fls.20.2m. in the same half last year.

DANISH BANKS

The increasing problem

BY HILARY BARNES, COPENHAGEN CORRESPONDENT

WHEN DEN DANSKE BANK announced in September that it was to raise Kr.500m. ($80m.) with foreign bond issues to bolster its capital ratio, it was reflecting the increasing problem which is facing the commercial and savings banks in Denmark in meeting their capital requirements through the normal channels, out of earnings or through share issues.

The Danish bank sector to-day is enduring a politically induced squeeze, which, if there is no change of course, could have far reaching consequences. The severity of the squeeze can be judged by the fact that most banks expect to record losses on their 1976 accounts. At the same time they are having to raise large amounts of capital to maintain their capital ratios. The two factors do not add up, and within a few years the banks could be placed in an extremely difficult situation.

The banks are the victims of two developments, the first of which is the least serious from an earnings point of view. This is the situation created by the Central Bank's credit policy. Since 1970 it has operated a ceiling on bank advances, raised moderately each year, but not in step with general price trends or with bank balances. The result is that the banks' share of new credit was nil in 1975 and will remain insignificant this year. As deposits have grown explosively, the money which the banks are not allowed to lend to the public

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in the form of advances is being invested in bonds and shares. The banks, in other words, are being forced to behave more like investment institutions than ordinary banks.

The more pressing problem arises from the Government's application of incomes policy to the banking sector. If wage incomes are to be limited, so must other incomes, it was argued in the spring of 1975 when the Folketing approved an act freezing bank interest-rate margins (the difference between rates on deposits and advances) at the average level of 1972 to 1974. The Government is pledged to renew this legislation in the spring.

The measure coincided with the start of a boom in bank deposits, a result of a massive state budget deficit. Commercial bank deposits increased by 35 per cent. between the end of 1974 and July this year. Advances, meanwhile, have only risen by 11 per cent. This has severely squeezed profits on the banks' primary operations. Typically, the first-half earnings of Denmark's largest commercial bank Handelsbank, on lending and deposit operations, were down from Kr.252m. to Kr.113m. The drop was counter-balanced by an incre[ase] of Kr.91m. in earnings on b[ond] and share investments ... Kr.58m. on deposits with ... domestic banks, but as ... also increased the first ... result was down from Kr. ... to Kr.175m. before deprecia[tion] allocations and tax.

Danske Bank's foreign issu[e] ... an innovation for Danish b[ank]ing, the first time that a ... has sought capital abroad ... also probably the largest pr[ivate] sector financing operation carried out by a Danish com[pany]. The bank will gain from ... interest rates than those pr[evail]ing in the domestic capital [mar]ket, but it is also ... exchange rate risks (the ... will be raised in dollars ... francs and D-marks). Two ... largest savings banks are ... ing to raise capital by ... special certificates of ... with coupons of 14 and ... cent.

Other variations on ... themes are likely in the ... few months, and there will ... be attempts to find other ... tions to the bank's proble[m] but what they need in ... longer run is a political dec[ision] to restore their earnings p[ower].

Improved results at BOP International

BY MICHAEL VAN OS AMSTERDAM, Oct. 4.

THE LUXEMBOURG-BASED Bank Oppenheim Pierson International reports improved results and strong business growth for 1975-76.

In the year ended June 30, 1976, BOP saw its balance sheet total rise by 68 per cent. to Lfrs.11.5m., while profits increased to Lfrs.20m., compared with Lfrs12.5m. the year before.

The bank, whose shareholders are Sal. Oppenheim Jr., of Germany, Pierson's in Holland, Banque Rothschild of France and N. M. Rothschild of London, said in its annual report that it had strengthened its market position still further and expanded business with international customers.

BOP said that despite the business expansion a balanced financial structure was maintained with the liquidity ratio amounting to 53.4 per cent. Taking account of the profit appropriation proposals, shareholders' funds—including contingency provisions, which were raised to Lfrs.49.6m. Lfrs.439m.

Oppenheim Pierson continued to concentrate its activities on short-term loans and money market transactions. Advances to customers and bills discounted totalled Lfrs.5.5m., representing an increase of 44 per cent. In 1975-76 the bank again participated in only o limited number of medium-term loans.

Balances with banks amounted to Lfrs.5.4bn. or 47 per cent. of the balance sheet total. Of this amount, 15 per cent. is employed for short and medium term financing of international trade while money market and interest arbitrage activities were developed "satisfactorily," the annual report states.

Meanwhile, Pierson's announced in Amsterdam that it is to take over the broking house of Van Kollem and Zoon, based here. The small company specialises in the stock option trade. The transaction will involve Pierson's—which is part of Amro bank—taking a majority interest in the firm by issuing new shares.

Liquigas posts higher first half sales

MILAN, Oct. ...

LIQUIGAS SPA., the large Italian petrochemical group controlled by financier Raffaele Ursini, has reported consolidated group sales of Lire 396bn. in the first half of this year against total sales of Lire 696bn. for the whole of 1975.

The company emphasised that January-June results were better than the year before. A percentage figure was not ... because of accounting changes in some subsidiaries.

Liquigas also said it hoped 1976 economic results would be close to the 1975 balance which showed net profits of Lire 2.6bn., of which ... tributed as dividends.

Volkswagen would accept State holding in Mexico

WOLFSBURG, Oct. 4.

VOLKSWAGENWERK AG would not regard participation by the State o Mexico in its 100 per cent. subsidiary Volkagen de Mexico SA de CV as undesirable, VW management Board chairman Toni Schmuecker told the German economic news agency VWD.

VW's Puebla-based unit finds itself in a difficult situation because of the devaluation of the peso, the sharp rise in local costs and the company's inability to pass on these increases as price rises, he added.

Meanwhile, a company spokesman was unable to comment on a published report in Germany that VW's Mexican subsidiary expects to produce some 75,000 vehicles next year following a cut of about 20 per cent. to 85,000 for 1976.

The VW annual 1975 report published last May said VW de Mexico's volume sales in 1975 fell 15 per cent. to 97,524 units. Domestic sales held steady but exports declined especially of the "Safari" model to the U.S.

Value sales in Mexico last year rose 8.6 per cent. to DM833m. due to price increases.

Despite this the company ended up in loss because of unsatisfactory use of capacity and the fact that the Mexican Government did not allow retail price rises fully to cover inflationary costs. Reuter

Forecasts from Nestle

VEVEY, October 4.

NESTLE, the world's second largest food products company after Unilever, expects 1976 turnover to rise more than five per cent. from last year, managing director Arthur Furer stated in Vevey, Switzerland, to-day.

In 1975, turnover rose about 10 per cent. to Sw Frs.18.29bn from 16.62bn a year earlier. This estimate assumes that there will be no radical changes in exchange rates during the remainder of the year, Mr Furer said. Nestle reports consolidated results in Swiss francs, though about 95 per cent. of its business is abroad.

Sales this year both in terms of value and volume were generally good worldwide, Mr. Furer said, but he would not disclose net profit estimates because of the uncertainties in the last four months of the year when dramatic price increases for green coffee and cocoa will be reflected in higher retail prices for instant coffee and chocolate. "We do not know what kind of consumer resistance there might be to higher prices," Mr Furer said.

The profit, however, is expected to be "normal" and not be greatly changed from the Sw Frs.799m earned in 1975. Nestle's profit was at a record Sw.Frs.802m. in 1973. It slipped to Sw Frs.742m. in 1974 before recovering in 1975 to near its record level.

In local currencies, all major subsidiaries worldwide were said to be operating profitably. Unlike Swiss export-based industry, Nestle's problems with floating exchange rates were more in the book-keeping than in the actual business because it exported little. AP/DJ

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Alcan 9½pc 198-	104½	105
Australia 9¼pc 1991	98½	99
Bowater 9½pc 1986	[illegible]	101½
Caisse Natl. Auto. 9½pc '91	100	100½
CNT 9¼pc 1985	101½	102
Denmark 8¾pc 1984	97	97½
ECS 9½pc 1986	102	102½
EIB 8½pc 1986	97¼	[illegible]
Enso 9¼pc 1985	103	103½
Esso 8pc 1986 Nov	101	101½
Eurofima 9¼pc 1985	101½	102½
Grangers 9¼pc 1985	103½	104
ISC Canada 9½pc 1986	103½	104
Massey Ferguson 9½pc 1991	103½	104
Michelin 9½pc 1988	100½	101½
Midland 9¼pc 1987	102	102½
Natl. Westminster 9pc 1986	100	100½
Newfoundland 9¼pc 1985	99½	100½
Norpipe 9¼pc 1986	101½	102½
Norsk Hydro 9½pc 1991	99½	100
Oslo 9pc 1986	101½	102
Prov. Quebec 9pc 1984	102½	103
Sandvik 9¼pc 1986	102½	103
Prov. Saskatchwn. 8¾pc '86	100½	101½
SEE 9pc 1985	101½	102½
Standard Oil (Ind.) 8¾pc '89	102½	103½
Svenska Handels 9½pc 1986	102½	103
Volvo 9¼pc 1985	104½	105
NOTES		
Australia 8¼pc 1981	99½	100
Bank of Tokyo 8¼pc 1981	101½	102½
British Gas 9pc 1981	102½	103
Denmark Mort. Bk. 9pc '83	100½	101½
ECS 8¼pc 1981	102	102½
EEC 8¼pc 1982	99½	100
Michelin 8¼pc 1983	101	101½
Montreal Urban 8¼pc 1981	100	100¼
Natl. Finansiera 10pc 1981	103½	104
Natl. Coal Board 8¼pc 1981	100	100½
No. Brunswk. Prv. 8¾pc '83	101½	102½
Seagram 9pc 1983	102½	103½

Source: White Weld Securities

CONVERTIBLES	Bid	Offer
American Express 4¼pc '87	84½	86½
Ashland 5pc 1988	85½	87½
Beatrice Foods 4¼pc 1992	102½	104½
Beatrice Foods 4½pc 1992	119½	121½
Borden 5pc 1992	102½	103½
Broadway Hale 4½pc 1987	78½	80½
Canon Camera 7½pc 1989	144	
Carnation 4pc 1987	86	[illegible]
Chevron 5pc 1988	115½	117½
Dart 4¾pc 1987	87½	[illegible]
Eastman Kodak 4½pc 1988	107	109
Economic Labs. 4½pc 1987	78	80
Fed. Dept. Stores 4½pc '85	111	113
Firestone 5pc 1988	[illegible]	90
Ford 6pc 1988	86	88
[illegible] 5pc 1988	86½	[illegible]
General Electric 4¼pc 1987	84	87
Gillette 4¾pc 1987	79	80
Gould 5pc 1987	101	103
Gulf and Western 5pc 1988	91	93
Harris 5pc 1992	91½	[illegible]
Honeywell 5pc 1986	83	85
ITT 4½pc 1987	80	[illegible]
Komatsu 7½pc 1990	105½	109
J. Ray McDermott 4¾pc '87	173½	175
Matsushita 6½pc 1990	106½	108½
Mitsui 7½pc 1990	107½	104½
J. P. Morgan 4¾pc 1987	108	110
Nabisco 5¼pc 1988	97	97
Owens Illinois 4½pc 1987	108½	108½
J. C. Penney 4¼pc 1987	84	86
Pioneer 6¼pc 1989	97½	
Raymond 8¼pc 1989	104½	105½
Revlon 4¼pc 1987	111½	113½
Reynolds Metals 5pc 1988	92	94
Sperry Rand 4¼pc 1987	99	101
Squibb 4½pc 1987	83½	85½
Texaco 4¼pc 1988	77	79
Toshiba 6½pc 1991	107	108
Union Carbide 4¾pc 1982	111½	112½
Warner Lambert 4½pc 1987	85½	87½
Warner Lambert 4½pc 1988	85	87
Xerox 5pc 1988	79½	79½

Source: Kidder, Peabody Securities.

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INTERNATIONAL FINANCIAL AND COMPANY NEWS continued

THE KOÇ GROUP

'Backward integration' move

BY METIN MUNIR, ANKARA CORRESPONDENT

...HI KOÇ was in his early ... when his father gave him ... sent of a donkey at his ... ncision ceremony, some- ... equivalent to to-day's ... -hand car. The boy's joy, ... ver, was soon sullied. The ... y always lagged behind the ... ger donkeys of non-Muslim ... and "would not perk up ... rs and show any signs of ... y," although he fed it on ... he pinched from his ... 's horse. When Koc looked ... d him he saw that the Jews, ... nians and Greeks in Otto- ... Ankara not only had better ... ys but the best of every- ... They were in business and ... affluent whereas the Turks, ... g down on the endeavour ... owly" were not and were ... ally poor.

... cut a long story short," ... id in an interview at his ... oul summer house on the ... orus, "this is about the ... when I decided to go into ... ess." And that was about ... nly time that Koç lagged ... d anybody in Turkey.

Groceries

... the age of 16 he dropped ... the eighth grade and ... d a grocery shop with his ... r. Their joint capital was ... At 29, three years after ... g up his own company, ... vas a millionaire.

... s year, as it celebrates its ... year, the Koç Group is ... g the 300 biggest in the ... Embracing about 70 com- ... s and 10 affiliates, it employs 26,000 people and has 10,000 shareholders. As Business Week once put it, there are three sectors in the Turkish economy: the public, private and Koç ("it is pronounced 'coach' which is unusually appropriate because the founder is still in harness," says a Koç ad.).

"Work eight hours, enjoy eight hours, sleep eight hours." is the advice Koç gives his young executives. But he confesses that for many years he would work for more than 20 hours a day. His break came in 1928 when Ankara, then six days distance from Istanbul by train and carriage, was made capital of new Turkey by Ataturk. He added construction materials to his interests and when a wind blew off Parliament's roof he was on to his first contract.

With the construction boom, his business grew and he entered importing and then manufacturing. He first teamed up with a foreign manufacturing company in 1949, making the General Electric bulbs, the first ever Turkish-American private joint enterprise.

"Although I had money I chose to work incessantly rather than wasting time at night clubs, gambling casinos or luxurious trips abroad," he says. "Outside necessary expenditures, I used all my earnings for new investments. This is the only secret of development."

To-day it is virtually impossible to go shopping in Turkey without encountering a Koç product. Few companies in the world are so diversified. Its range of interests include fruit canning, electrical cables and lamps, domestic appliances, computers, radio and TV sets, fibre

Mr. Vehbi Koc

glass, hospital supplies, luxury hotels, credit cards, furniture and matches. But more than 50 per cent. of the group's assets are in the automotive sector, with products ranging from motorbikes and cars to tractors and earth-moving equipment.

Koç has links with many overseas companies, including Ford, Burroughs, Uniroyal, Mobylette and Honda.

The group's consolidated revenues in 1975 were the equivalent of $1,194m., an increase of 42 per cent. compared with the previous year and over 300 per cent. compared with 1971. Of this about 60 per cent. was derived *from the automotive sector* ($695m.) and the rest from the industrial ($242m.), marketing ($193m.) and LPG ($64m.).

In 1975 net profit was $46m., an increase of 2 per cent. over 1974. The Group's profit margins were adversely affected because it could not win price raises for its non-automobile industrial products from the Price Control Committee. Price raises have now been granted, however, and the group expects profit margins to improve significantly this year.

"As far as incomes and revenues are concerned the Koc Group will have its best year in 1976," Koç believes.

Last year, consolidated assets increased by about 30 per cent. to $742.5m.

In order to meet growing demand for its products the Koç Group has increased capital expenditure from $63m. in 1974 to $163m. last year. Passenger car, trucks, refrigerator and television set manufacture is increasing but Koç says that his main concern now, in priority to growth, is "consolidation and correcting failures and malfunctions."

Nevertheless, the group is moving into "backward integration" which means entering heavy industry and more investments.

A plant which will cast automotive blocks and agricultural machinery components is under construction. Negotiations are underway for a $40m. suppliers credit abroad for a speciality steel plant which will produce 85,000 tonnes per year. This plant requires an investment of $100m. and will be the biggest project ever undertaken by the Turkish private sector. The group hopes that with backward integration, which is being implemented in refrigerator and television manufacture as well, it will cut import costs and ensure continuity of supply.

Koç is also on the way to winning *control of Garanti Bankasi*, a private bank which is not doing very well, with the aim of decreasing his dependence on the banks of his rivals.

Criticism

Two of the biggest criticisms directed against Koc in Turkey are that he goes for consumer goods production and assembly manufacturing and is not an exporter. Indeed, total exports by his group last year did not exceed $20m.—explaining why he is so little known abroad, despite being so big at home. Company officials say that they hope to increase exports and, with backward integration, do away with the first criticism as well.

Profits up at HK & China Gas

Net profit of $HK10m. ($HK7.86m.) is reported by Hong Kong and China Gas for six months ended June 30, says Reuter from Hong Kong.

The company earlier announced a second interim dividend of 18 cents, following a first interim dividend of the same amount (1975 interim 40 cents).

It said it continued to benefit from a period of consolidation and there should be a modest advance in profit during the remainder of the year over the same 1975 period.

Net 1975 profit was $HK12.90m. ($HK9.48m.).

Confidence at Kashiyama

Net profit of Y2.75 bn. against Y2.3bn. a year earlier is reported by Kashiyama, says AP-DJ from Tokyo. Sales Y43.1bn. against Y36.6bn. a year earlier. The ready-made men's suit manufacturer, which has subsidiaries in France and Italy, forecast net for the year ending next February 28 of Y3bn., up from Y2.6bn. in the previous year.

It forecast sales of Y94bn., up from the year earlier Y81.7 bn.

Guatemala oil

BASIC RESOURCES International SA and Shenandoah Oil Corporation announce that, following the discovery of oil in commercial quantities on the Rubelsanto structure in Guatemala, a technical team is now in Guatemala preparing detailed cost estimates for the construction of a 12-inch pipeline from Rubelsanto to the east coast of Guatemala—a distance of approximately 100 miles—for crude oil exports.

A letter of intent has now been received from Entrepose SA, a major French pipeline constructor forming part of the Vallourec Group, for the design, construction and financing of the gathering system, pipeline, and tanker loading facilities.

UNION CORPORATION

IN THE ARTICLE entitled "Union Corporation—Problems with Geduld" published in our pages last Friday it was incorrectly stated that Barclays Merchant Bank, acting for Unicorp, was in dispute with the Johannesburg stock exchange over a question arising from a UCI shareholders' meeting to discuss the offer for Geduld. It has been pointed out to us that the bankers in question were Barclays National Merchant Bank Limited which is incorporated in South Africa.

Dunlop Australia profits boost

BY JAMES FORTH — SYDNEY, Oct. 3.

DUNLOP AUSTRALIA, rubber, footwear and textile group, boosted earnings 24 per cent. from $A11.7m. to $A14.5m. in 1975-76. Sales for the period rose 11 per cent. from $A441m. to $A490m. The dividend is lifted from eight cents a share to 11 cents and is covered by earnings of 16.4 cents compared with 13.2 cents in 1974-75.

All of the group's main operating divisions contributed to profit with clothing, footwear, textiles and sports goods in the lead. Profits on the automotive and industrial side contracted during the year Moreover, the chairman, Sir Robert Blackwood gave a warning that trading conditions since March had become *depressed*.

● Thiess Holdings, the major civil engineer, coal miner and motor vehicle distributor, has lifted earnings 38 per cent. from $A8.1m. to $A11.2m. The rate of profit increase outpaced sales which rose 22 per cent. from $A210m. to $A257m.

The civil engineering division, which incurred a small loss in the first half, operated profitably for the year. But incomplete work on hand at *June 30* was down from $A92m. to $A37m. the directors said that although a profit was budgeted for the current year it reflected an expected reduction in contracting turnover because of reduced government spending and continuing hesitancy in the private sector.

The mining division operated at an overall profit but the South Blackwater mine incurred a $A1.5m. loss. Production of coking coal by the Thiess-Peabody-Mitsui consortium (in which Thiess holds 22 per cent.) fell to 2m. tonnes.

Tahal expecting sales of £10m.

BY L. DANIEL — TEL AVIV, Oct. 4.

TAHAL, ISRAEL water planning and engineering company— which operates both locally and in overseas countries where ... as consultants—reports an increase in turnover from £5m. ... 74 to £7m. in 1975 and an anticipated £10m. in 1976. More- ... more and more of the work ... ing done abroad. Whereas 29 per cent. of its 1974 turn- ... was accounted for by pro- ... in foreign countries, the ... ortion rose to 33 per cent. ... 75 and an anticipated 49 per ... this year (consultant fees ... 5-8m. on projects involving ... eventual investment of over ...).

... e company's work is con- ... ated largely in the countries of Latin and South America, Africa, Asia and the Middle East. As to the Latin/South American operations, these will benefit greatly from the recent acceptance of Israel as a member of the Inter-American Development Bank, which finances a large number of projects in that part of the world (ranging from discovery of water resources to municipal, regional and country-wide exploration).

The operating profit of Tahal and its overseas subsidiary (both Israeli-Government controlled) after allocation of £200,000 or so for worker participation in profits reached £800,000. In addition nearly £200,000 in investment profits was reported. Its 1975 net profit came to £400,000 (£2.5m. in 1974) to which should be added profits from previous years of £470,000. An unchanged dividend is being paid of 15 per cent.

In view of the smaller local budgets now for water planning, Tahal has branched out in Israel into such fields as a study of pumped storage together with the Israel Electric Corporation, a preliminary survey of the feasibility of the Mediterranean-Dead Sea Canal (to produce inter alia hydro-electricity), utilisation of the headwaters of the Jordan for the same purposes and, together with Control Data Corp. Israel has formed a company, Con-Tahal, for systems engineering, computer sciences and allied fields.

S.A. stores defy lower consumer spending trend

BY RICHARD ROLFE — JOHANNESBURG, October 4.

SOUTH AFRICAN retailers continue to report buoyant profit figures, defying the apparently bearish trends which have been *developing in the economy* for more than a year. More specifically, they have managed to make headway in spite of lower consumer spending, dearer imports and the general commitment to pass on no more than 70 per cent. of cost increases. If there is to be a crunch for the sector, it could well come in the current reporting period. But judging from the latest crop of results and dividend increases, managements remain fairly confident.

The supermarket group, Pick N Pay, with its predominant base in food retailing, increased turnover from Rand 103m. to Rand 122m. for the six months to the end of August. Margins improved from 2.5 per cent. to 2.7 per cent. and pre-tax profit was up from Rand 2.5m. to Rand 3.2m. At the net level, the rise was slightly less, *from Rand 1.6m. to Rand* 1.9m. on the higher tax charge, but the interim dividend has been raised four cents to 20 cents, absorbing Rand 0.5m.

New openings

The board points out that the group opened two new stores in August and another in September, so that the reporting period carried the opening costs, but did *not register* any profits from these additions. After developing the first hypermarket in the Republic last year, Pick N Pay has plans for at least three others, in Durban, Cape Town and a second in the Johannesburg area. This will cost the group Rand 45m. over the next 12 months.

The concept has caught on well and other groups such as OK are getting into the hypermarket business as well. Pick N Pay's second Johannesburg hypermarket development will cost an estimated R12m. and is to be funded by a group of institutions led by Guardian/Liberty Life.

At 1,150 cents, the shares yield 4.1 per cent. on last year's 47 cent dividend, covered three times, but the interim rise suggests a total this year of about 60 cents and, in turn, a prospective yield of 5.2 per cent.

The Durban-based footwear and clothing group Scotts Stores, doubled turnover to R24m. in its six months to the end of August, largely reflecting the acquisition of the Uniewinkels Group. Net profit was up slightly from *R0.9m. to R1.1m. and earnings* from 38 cents to 43 cents. The dividend was raised 2 cents to 17 cents, putting the shares at 500 cents on an historic yield of 8.3 per cent. based on last year's 42 cent payment. Scotts acknowledges the problems of forecasting, but expects earnings to rise in the current year, which will see the group's number of stores brought up to 175 against 143 at the start of the financial *year. This alone should ensure* some improvement.

Finally PEP stores, which has specialised in acquiring or opening up small units in country areas, pushed profits up from R3.4m. to R3.8m. for the six months to the end of August but was hit by higher tax which held the earnings rise from 35 cents to 38 cents. The dividend was increased 1 cent to 16 cents *and again the outlook must be for* some improvement on last year's 44 cents total. The shares at 510 cents yield a minimum 8.7 per cent. on the historic payment.

FINANCIAL TIMES REPORT

Tuesday October 5 1976

Brighton

Brighton's modern extravaganzas have a more hard-headed commercial purpose than the Prince Regent's Royal Pavilion. The new marina and the conference centre open next year, which means that Brighton is likely to become a major international seaside resort.

A Jubilee take-off

This Report was written by ROBERT HAWKINS

NEXT YEAR is the Queen's silver jubilee. It is also the year that Brighton's two multi-million-pound projects come on stream.

The town is bound to make the most of this auspicious co-incidence, since it is assumed that its regeneration will be assured from 1977 onwards. The Brighton Marina, the largest pleasure craft facility in Europe, will be taking first customers from the middle of next year, and the Brighton Centre, a 5,000 capacity super-conference complex, is to be officially opened in the summer.

Both projects were conceived during the years which immediately preceded the present economic slough of despond, and both are so massive that they have inevitably been consigned by their critics to that herd of white elephants of which Concorde is a conspicuous member. Their supporters see it another way. For some years Brighton has been brightening up the town centre in an effort to rid itself of the seedy atmosphere of a decaying seaside town no longer attracting families for a fortnight's holiday on its shingle beaches. It has taken singular determination to push the vast projects through against the non-development malaise of recent years.

Diversification from the hotel and boarding house trade began very soon after the Second World War, when the council set up a series of industrial estates. Industrial development continued on a comparatively large scale until the early 1960s, the council itself putting £3.5m. into the programme. The position to-day is that manufacturing industry provides the biggest source of employment to the residents of Brighton and Hove, followed by services and hotels.

Limitations

The industrial part of the structure plan of the East Sussex County Council foresees no further new industrial growth in the borough of Brighton, and the Brighton Council has little argument with this view. The town lies between the South Downs, designated an area of outstanding natural beauty, and the sea, and scope for further industrial and commercial development is extremely limited.

The historical nature of the town also rules out the possibility of any high rise building developments.

The chief industrial preoccupation this year concerns the ability of existing industries to expand. It is argued that the success of local industry should not be rewarded by refusing factories permission to expand. The current test case concerns Arthur H. Cox and Co., a substantial pharmaceutical manufacturer established in Brighton in 1837. Cox's envisage an extensive single storey development, and the case is currently being put to the Department of Trade and Industry. The outlook has been described by council officials as "hopeful," but it is conceded that apart from small businesses, there will be no new industrial development in Brighton.

Brighton is the headquarters of the Federation of Sussex Industries, a county body unique in the U.K., which has the right to sign Certificates of Origin for the export market. The federation records a 40 per cent. growth in exports from Sussex since 1970, chiefly in electronics, light engineering and furniture, and which was helped along by tours and exhibitions abroad. Sixteen awards for exporting are to be awarded to members by the federation to mark the export year which began on June 1.

It is inevitable that Brighton's new development future lies in areas other than industry, and inevitable, too, that the town's planners should be criticised for "neglecting industry" and spending heavily on items such as the Brighton Centre, and encouraging (not without considerable opposition) the building of the marina. Some 30,000 people are employed in industry, some 16,000 in distributive and commercial trades, including shops, and about 6,000 in hotels and restaurants. The critics, however appear to be driving up a *cul de sac*—industrial expansion has come to an end, except on a limited scale, and while the town acknowledges its considerable debt to post-war industrial diversification, it remains only to consolidate and encourage what industry Brighton already has.

American Express is in the process of fitting out its great new office block in Brighton, which is to become the European headquarters of the company, and which is expected to employ about 2,000 people. The Chamber of Commerce for Brighton and Hove, and most businessmen, acknowledge that the company's "competitive' wages and salaries will draw heavily on existing middle management and clerical workers in the area, and will even siphon off some of the London commuters. This, however, is likely to be the last big office development in Brighton for some time.

The completion of the building coincides with the publication of the Central Area District Plan by the Brighton Borough Council, and which is on exhibition at the Borough Planning Office. It is strictly a draft plan, and comments and criticisms from the public will be taken until the end of the year. There is an acknowledged shortage of lower price range housing, and the feeling is that with an economic upturn, and the new activity engendered by the marina, the Brighton Centre and, indeed, the American Express building, there could be renewed pressure on housing and prices within the town. Permission to convert dwelling houses for commercial use is being refused. Traffic congestion and employment shifts are also in the offing.

Character

The conference centre in Brighton, rather than the marina, will be the short-term crowd puller, and one aspect of the plan concerns the provision of a sufficient and wide ranging amount of hotel accommodation. The quaint and warren-like centre of Brighton also offers leisure and recreation possibilities which at present fall short of international resort standards in some respects. Night clubs are practically non-existent.

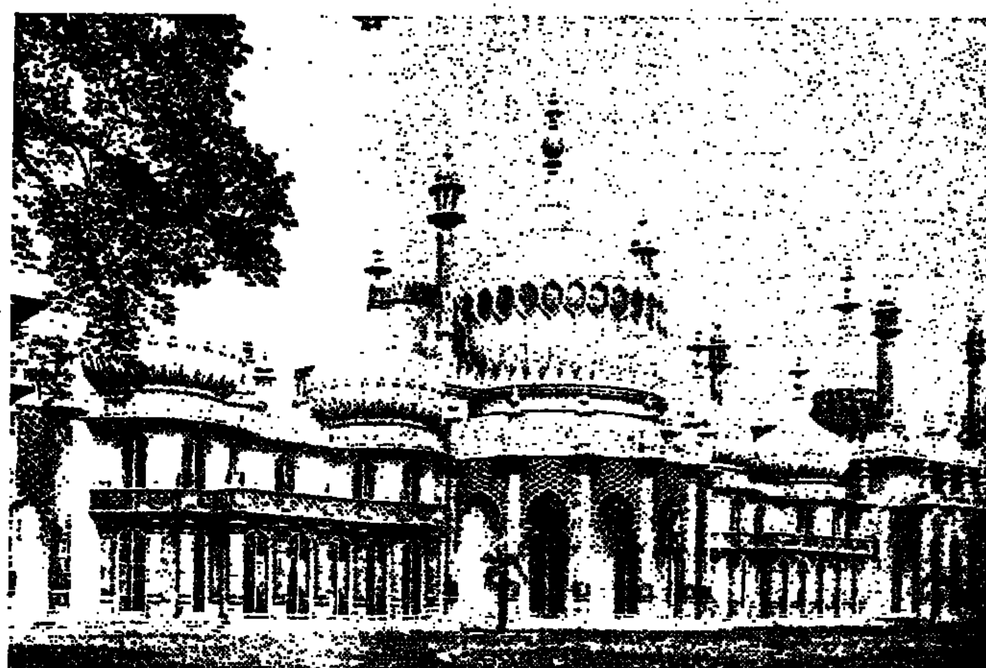
The overriding consideration, however, is the unique character of the central area of the town, and the plan proposes an extension of existing conservation areas. Roughly speaking, the Regency areas already protected are to be followed by areas which owe their presence to the Victorians, and areas which are recognised as having their own local character. Redevelopment of run-down sites will have to be in keeping with the surroundings.

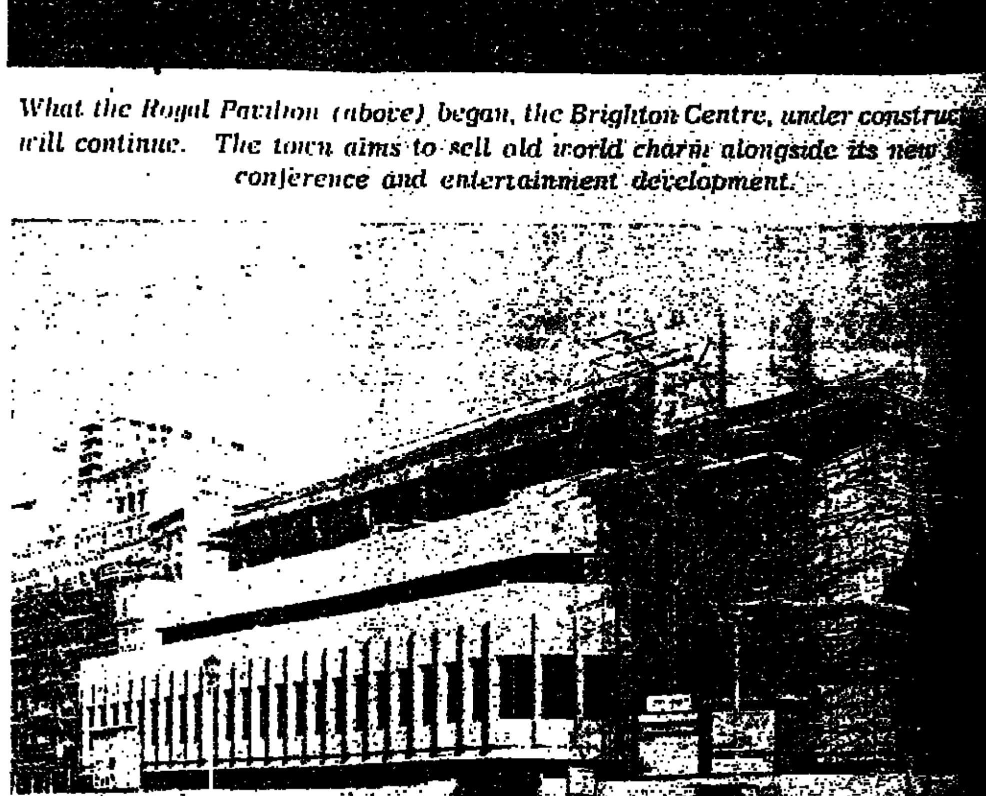
Limitations on development might suggest that Brighton's commercial accommodation is creaking at the seams. In fact it is not. There is some 817,000 sq. ft. of office floor space currently going begging in either new or imminent developments, and 52,000 sq. ft. in old buildings. Little additional space, however, is going to become available in future years. Over the last five years there has been a 30 per cent. increase in shop floor space in the central area, but there has been an increase in the number of vacant shop premises in the recent past.

The Central Area Plan will remain for all purposes, academic un[til the] lengthy process of public [...] is completed, and the am[ount of] public expenditure [...] will be determined by th[e state] of the general economy [in com]ing years. The steady im[prove]ment of the quaint area[s such] as The Lanes has taken [place] over the past few years [and] there have been other [...] developments such as [the] Churchill Square shopping [com]plex. Run-down sites [are] being weeded out, the mo[st not]able recent announcement [being] that the old Regency [...] and some surrounding [build]ings are to make way f[or a] department store dev[elopment] by Boots.

Brighton has not escape[d the] Chancellor's demand for [cuts in] public expenditure. The C[ouncil] has been asked to seek a [saving] of £600,000 out of a tot[al en]visaged expenditure of bet[ween] £5m. and £5.5m. during [the] 1977-78 period. Debt acc[ounts] for 30 per cent. of the b[udget] and wages and salaries [a] little over 50 per cent. [There] seems to be no possibili[ty of] cuts in the housing sect[or;] rentals may go up, but n[ot be]yond the Government-re[com]mended minimum for subs[idy].

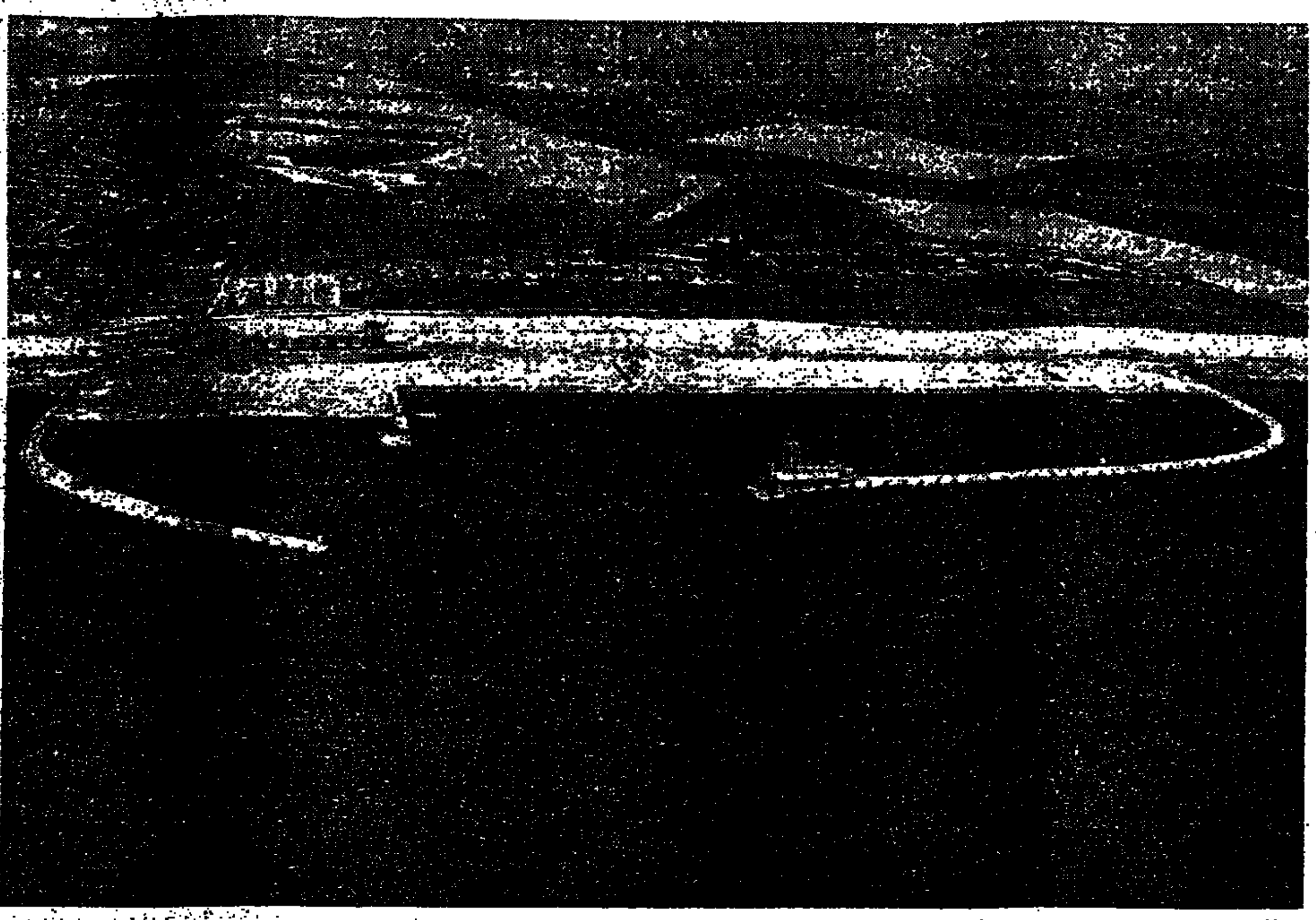
The Town Clerk, Mr. [...] Morgan, says the Council [finds] itself in a cleft stick, since [the] only possible cuts would b[e in] salaries and wages (follow[ing] stiff pruning for the cur[rent] year), and in contracted [ser]vices, yet there is heavy gov[ern]ment pressure not to cause [fur]ther unemployment. He stre[sses] that Brighton is a substa[ntial] foreign currency earner — [...] the second most popular ce[ntre] for visiting foreigners a[fter] London — and has a partic[ular] need as a resort town to ma[in]tain a high standard of pub[lic] services. Cutting down on [bus] frequencies, museums and de[co]rative lighting would have [a] "disastrous effect" on [the] town's image, especially in [view] of the Brighton Centre's o[pen]ing during Jubilee year.



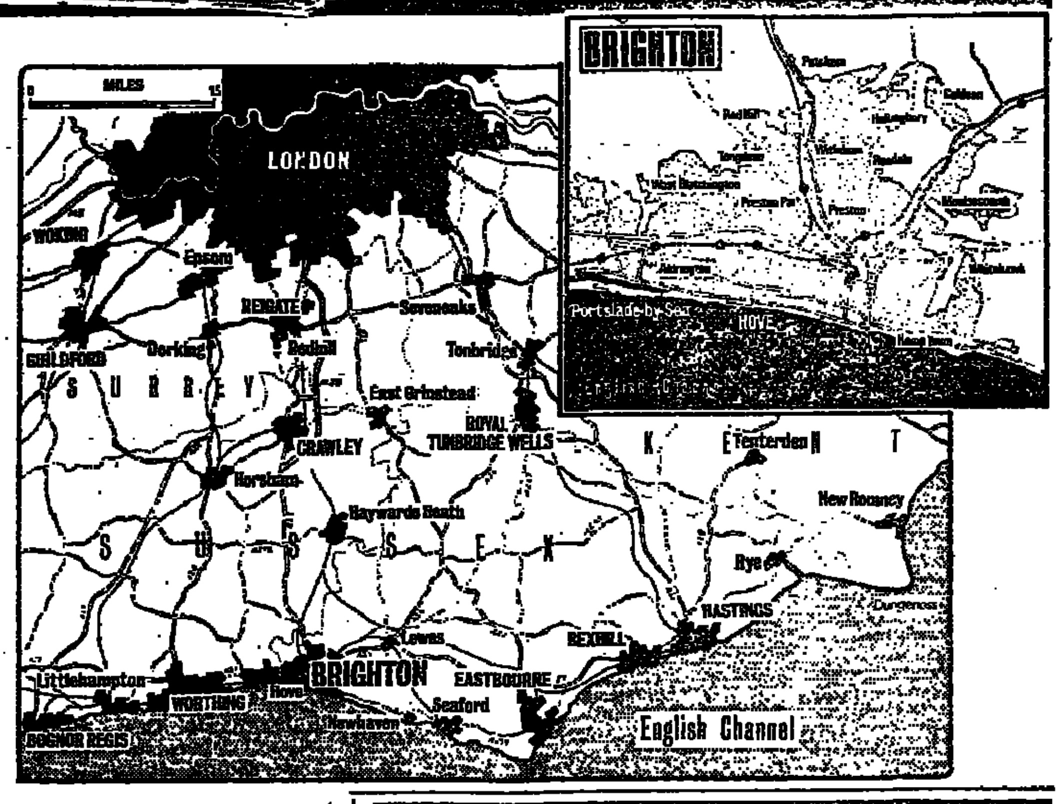


What the Royal Pavilion (above) began, the Brighton Centre, under constru[ction] will continue. The town aims to sell old world charm alongside its new conference and entertainment development.

Marina could lead to tourist boom



"The most significant development since the Royal Pavilion," says Brighton's Chief Executive and Town Clerk of the Brighton Marina project.



[T]HE cultivated tones of the [P]rince Regent and his guests [h]ave given way to a wide variety [of] foreign accents and languages [in] to-day's Royal Pavilion. [B]righton is now the second [bi]ggest centre of attraction for [fo]reign visitors to the U.K. [(a]fter London), and the tourist [tr]ade is making the most of it.

The local Chamber of Com[m]erce nurtures the hope that [sh]opkeepers, restaurant owners [an]d hoteliers will take serious [st]eps to learn at least a little [F]rench and German. Now that [th]e town is dealing with large [nu]mbers of day trippers from [D]ieppe—to take advantage of [th]e shopping—as well as longer[-st]ay foreigners doing the grand [to]ur, Brighton confidently looks [fo]rward to the day when it will [b]e listed as a grand European [re]sort, despite its shingle [be]aches and now almost for[go]tten "English weather."

[S]ignificant

The Council's Chief Execu[ti]ve, Mr. R. G. Morgan, believes [th]at the Brighton Marina is the [m]ost significant development [B]righton has experienced since [th]e Royal Pavilion. Some might [th]row in the conference centre [as] a contender for the title, but [fo]r sheer scale the marina takes [th]e cake. When completed it [wi]ll be the biggest marina in [Eu]rope, and it will rank as a [m]ajor investment.

The marina has come under [he]avy flak attack from some [re]sidents and councillors (under [co]ver of which, you might say, [th]e conference centre [de]velopers quietly got on with [th]eir own business). On [en]vironmental grounds it was [bi]tterly opposed, since it [in]terrupted the unbroken view [al]ong the white chalk cliffs that [st]retch down the coast to Kent. [O]n cost grounds it was attacked [as] a monstrous waste of money, [an]d indeed committees of [in]quiry and numerous council [de]bates maintained the air of [un]certainty about the project [ev]en after it was well under[w]ay.

There is no doubt now that [fr]om next year the town will [en]joy the presence of the largest [y]achting marina this side of [L]eningrad, attracting the inter[n]ational sailing community as [w]ell as the members of South[-E]ast England's boating frater[n]ity. By 1978 the marina will [b]e capable of taking 2,200 boats, [f]ollowing expenditure of £40m., [o]f which £24m. has already been [t]aken up.

The shareholders in the pro[j]ect are two of the Electricity [C]ouncil's superannuation [s]chemes, the National Westmin[s]ter Bank, Royal Assurance, [W]estmoreland Properties and [th]e entertainment giant, EMI. [T]he project was mooted in 1963 [w]hen business confidence was [h]igh, and the shareholders ex[p]ect a return on capital over the [n]ext 20 years.

Faith must have been sorely put to the test. Recently the Brighton Council was prevailed upon to allow a charge on any person visiting the marina, with a compromise exception for the residents of Brighton.

The council will charge a peppercorn rental for the first five years, and thereafter £3,000 a year. After the shareholders have realised a 12 per cent. profit on capital employed, the borough council will take 30 per cent. of the profits.

The marina physically covers one kilometre of the Sussex coast, and the completed harbour walls embrace 126 acres. There are to be two basins; an inner locked basin of eight-foot draught and with 800 berths, and an outer tidal basin of 11 feet draught. Bulldozers are currently scooping and levelling the inner basin, which will be flooded in April next year and ready to take the first paying customers during the summer. An announcement on mooring rentals is imminent. Hotels and flats are part of the marina's long-term development plan, but sponsors are still awaited.

There is certainly an undercurrent of growing confidence and excitement among the hotel owners and boarding house keepers of Brighton. Last year the steady decline in bed spaces was halted for the first time. In the late 1950s and early 1960s the Borough of Brighton and Hove was able to field about 7,500 beds fairly constantly, but demand has subsequently declined.

There are numerous reports coming in to the Brighton and Hove Hotels, Guest Houses and Restaurants Association of owners refurbishing their establishments in anticipation of the historic jubilee year, in which an English Côte d'Azur will virtually be guaranteed by the Brighton Centre and the Marina. The Council is now actively looking for promoters of new hotels. There are four sites on offer at the moment, calling for about 800 beds.

A preliminary brief has just been printed for the premier spot, and it is understood there are already inquiries about it. The site is in the Kings Road on the sea front between the two piers, and backing onto The Lanes, a maze of shopping and restaurant facilities popular with tourists. A minimum of 250 beds is envisaged, with restaurant and banqueting facilities. The present Town Hall, which is to be preserved for historic reasons, could be partially incorporated into any development when the current debate on a new civic centre site is settled.

Brighton is a town which has developed a sense of purpose. It has a vision of itself as a resort town in greater Europe. Gone are the despondencies caused by the demise of the English family's fortnight by the sea. Gone is the vision of the town as a commuter dormitory for London, haggling only over the preservation of Regency and Victorian decay. Brighton is Europe-by-the-Sea with South East England as its touring hinterland. Brighton is preserving and selling its historic character. Brighton is a foreign exchange earner.

Survey

A survey of tourism for 1975, conducted by Mr. James Tems of the Brighton Technical College, and in conjunction with students of the Brighton Polytechnic, shows that 20 per cent. of visitors came from abroad. (The percentage for this year will almost certainly be higher). Three-quarters of them spent over £50 apiece during their stay in Brighton, compared with only 36 per cent. of British visitors who spent over £50. Nearly half of the foreign tourists came from outside Europe.

In general there is a swing towards younger age groups, and towards smaller hotels. The Brighton Centre, however, may well swing the pendulum back again.

Brighton is served from France by the Newhaven ferry, it is half an hour's drive from Gatwick airport and an hour by train from London. Its accessibility appears to have played a large part in its reputation as second in popularity to London. Just as its post-war future was assured by the development of industry, its post jubilee future is assured by the Brighton Centre and the marina. The latter, particularly, is an investment for all time—more durable, for instance, than those two famous Brighton piers.

A major conference centre

THE BRIGHTON Centre is opening in less than a year's time, and its sales team has already been in the tough international conference and exhibition selling field for some time. The vast new hall, certainly, will attract national conferences, business, social and political, but in its most imaginative sense it ranks with the major European, American and Far Eastern conference facilities.

Having said that, it must be added that for half the year, the Centre will be set aside for the entertainment of the ratepayers of Brighton and the town's visitors. The Brighton Centre is being built entirely out of ratepayers' money, at a cost of nearly £10m., and it is policy that popular entertaining, professional ice skating and major sports fixtures should be listed in the Brighton Centre programme.

The main structure of the building is now complete, and contractors are working on the basic utility services—electrical, communication, ventilation and plumbing systems — and the facing, painting, decorating and finishing should be complete for a July opening next year.

The Director of Brighton's Resort and Conference Services Department is Mr. Tony Hewison, a wiry and constantly talkative man of considerable nervous energy, who has nursed the project from its inception. The early problems and bickering over the giant project are now things of the past, and he enthusiastically demonstrates his orderbook to show that the whole venture is proving worthwhile a year before it even opens. Mr. Hewison anticipates a 90 per cent. occupancy rate for the centre during the first year, and nearly 100 per cent. for the second and third years. Some orders have been pencilled in for over ten years hence.

The centre is not looked upon as an investment which will amortise its own capital debt. It is looked upon as an investment by the Council which will spin off to the benefit of the hotels, the restaurants, the shops and local services, and through them to the benefit of the ratepayers themselves. It has been criticised for the doubtfulness of the amortisation, possibly legitimately, but the best that can be said is that the town is going into the international conference and exhibition business with its eyes open. No other body has had to come forward with money.

Mr. Hewison remarks that Britain came into the modern exhibition game very late in the day. London, with respect, has lost out, he says, and he expresses admiration for Birmingham's new complex. Birmingham is big in exhibitions, with a lesser accent on conferences, while Brighton's approach is the other way round. With the Brighton Centre, Britain will at last be able to host world conferences with pride, adds Hewison, and he stresses the superiority of the facilities which will be available. He expresses admiration for the big new London conference centre at Wembley.

Complex

The Centre is on the sea front, flanked by the major hotels. Nearly two-and-a-half London Palladiums could be fitted into its central hall, but the facade is gratifyingly low key, with the roof line matching those of neighbouring buildings. The complex is built on five levels, and the main hall rises through three of them: it is designed to take 5,000 delegates at conferences, or offer nearly 2,000 square metres of exhibition space. The secondary hall can take 800 people in 750 square metres.

Supporting facilities are numerous, and include simultaneous interpretation facilities for eight languages, a purpose-designed mass media (TV) studio, secure VIP rooms, restaurant and bars, and extensive lobby areas.

Conferences, as the public is well aware from media coverage of political party and trade union meetings over the years, have long been a part of the Brighton scene. These and exhibitions, attracted about 12,500 delegates in 1946, a figure which grew steadily to an estimated 61,000 this year. Between 1977 and 1979, it has been estimated that, primarily due to the new centre, delegates will leave behind them about £22m. in spending money.

In recognition of the spending power of future delegates, the Brighton Centre is being promoted jointly by the Council's Resort and Conference Services Department, the British Tourist Authority and British Caledonian; the Brighton Marin Company is expected to be an increasingly useful ally as its own development nears completion in two years or so.

There are some 6,000 beds in Brighton's hotels and guest houses, but should the Centre attract a 5,000-delegate conference, say, from overseas, it is possible that the town's accommodation will be put to the test and found wanting. What is needed, and comparatively soon, it at least one more top class hotel in the town centre. No such hotel could be contemplated without the Brighton Centre, and should an announcement be made in the coming months that an hotelier has decided to take the plunge, then the magic of the world conference idea will have proved itself.

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Dow off 1.9 in 5 week trading 'low'

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Oct. 4.

WITH MANY investors observing the Jewish holiday of Yom Kippur, stock prices backed off slowly in the lightest trading in five weeks on Wall Street to-day.

The Dow Jones Industrial Index closed off 1.91 at 977.98 on a turnover of 12.75m. shares, down from 20.62m. on Friday. The NYSE common stock index slipped 0.08 to 55.62 while declining issues outnumbered advances by 713 to 651.

Analysts said that for traders participating in the market, about the only items of interest were the reports coming in concerning the three-week-old strike at Ford Motor Company.

Reports circulated that settlement of the strike was close, but Mr. Leonard Woodcock, president of the United Auto Workers Union, said a final agreement had not been reached.

Some local union officials in Dearborn, Mich., had been quoted as saying a tentative agreement was reached with Ford on economic and non-economic issues.

Dresser Industries surrendered $⅝ to $40⅞. General Electric, a volume leader, lost $1¼ to $52. The Justice Department said it will not oppose GE's planned acquisition of Utah International. Utah International's stock climbed $3¾ to $63.

Later, General Electric reported higher third-quarter earnings. Great Atlantic and Pacific Tea, which also came in with improved profits, picked up $⅜ to $11⅞.

California Financial added $⅜ to $8¼. It said it is studying a number of takeover proposals.

Itel picked up $⅜ to $13¼. It said it has completed a definitive agreement for the acquisition of Autex Inc.

Prices on the Chicago Board Options Exchange were mixed. Declines edged advances, 212 to 206. Turnover approximated 46,709 contracts.

Prices on the American Stock Exchange were slightly lower as the Amex index dipped 0.03 to 101.48.

MONDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Norton Sim	276,300	20⅛	−1⅛
Dow Chem.	205,100	42	−1⅛
Kresge SS	186,400	39½	−½
Utah Intl.	172,500	63	+3¾
Gen. Elec.	169,500	52	−1¼
Westghs. El.	160,400	18⅛	+⅛
Citicorp.	149,800	30⅞	—
Gen. Motors	140,500	71⅞	−⅜
Texaco	125,800	27⅞	+⅛
Mapco	110,500	36⅞	−⅜

OTHER MARKETS

Canada lower

Canadian Stock markets closed lower in quiet trading, with the Yom Kippur holiday reducing overall action as in New York.

The Toronto Industrial Index was off 0.68 at 183.63. The Montreal Industries Index was 1.15 lower at 182.82.

Western Broadcasting "A" shares were most active with 27,000 trading. The stock closed at $10⅞, up $⅜.

Aora "A" added $⅜ to $7⅞ and Massey-Ferguson was ahead $⅛ at $21⅞.

PARIS—Lower ahead of the planned national strike on Thursday and following Wall Street's weaker trend, dealers said.

Banks, other Financials and Oils steadied, but Foods, Motors, Constructions, Electricals, Metals and Chemicals fell. Engineerings, Stores and Rubbers were slightly lower. Cie Electro-Mécanique lost about 5 per cent.

In the foreign sector, Americans and Germans were sharply lower. International Oils and Golds eased. Coppers were mixed.

BRUSSELS—Mixed with a lower bias in quiet trading.

Sofina, Sidro, Gevaert and St. Roch rose while Asturienne, Vieille Montagne, GB, UCB, CBR and Arbed eased.

Foreign stocks were mostly depressed—especially West German issues—while Golds and other foreign issues were little changed.

U.S. Petrofina and Canadian Petrofina remained steady.

AMSTERDAM fell across the board, including Royal Dutch, Unilever and Hoogovens in Dutch internationals.

Elsewhere Hal, KLM, Naarden, VMF, RSV and Giessen showed marked losses. Major gains against the trend were CSM and Van Ommeren.

State loans weakened.

SWITZERLAND closed barely steady in quiet dealings, with buyers reserved. Except for slightly higher Bankgesellschaft leading banks were barely maintained.

In narrowly irregular financials, Bally Bearer and Elektro-Watt drifted lower, while Motor-Columbus closed very steady. Among otherwise little changed industrials, Brown Boveri "A" shares and Sulzer Registered lost ground, while Von Roll improved.

Foreign stocks eased.

FRANKFURT — Lower, influenced by the results of the West German elections and the sharply weaker Wall Street close on Friday, dealers said.

Steels, led by Mannesmann, lost due to the possibility of more short-time working. Motors, engineerings and stores also fell. Leading chemicals shed up to DM2 while Deutsche Bank and Siemens slipped DM3 each.

Public loans fell as more bonds came on offer. Foreign loans were little changed.

MILAN — Lower in quieter trading on persistent selling, following recent Italian Government economic measures and the higher bank rate.

Bonds were easier.

VIENNA — Closed narrowly mixed.

OSLO—Industrials, Banking and Shipping were steady, while Insurances were quiet.

COPENHAGEN—Mixed in quiet dealings.

HONG KONG drifted lower in line with overseas markets in the absence of any local news. Trading was quiet.

Hong Kong Bank, Jardine Matheson, Hutchison and Wheelock Marden all fell. Hong Kong Land and Swire Pacific were unchanged.

TOKYO—Advanced moderately on selective demand but trading was light with operators awaiting developments in Parliament and the outcome of the IMF meeting in Manila.

Leading gainers were Fujiya Confectionery, Hohnen Oil, Jusco and Jujiya. Pharmaceuticals, Ceramics and sundry goods industries were also higher.

Losers included Sony, Mitsumi Electric, Sumitomo Metal Industries, Nichiban, Rhythm Watch, Yamaichi Securities.

AUSTRALIA—Sydney Stock Exchange was closed for Labour Day.

In Melbourne, share prices closed firm in quiet trading.

BHP rose 20 cents to $A7.70 while its rights advanced to $A3.55. National Bank picked up $A5 to $A2.95 but Bank of New South Wales and ANZ eased.

EZ Industries, Swan Brew and Woolworths rose while Lend Lease, Cub, Rothmans and Australian Guarantee were steady.

Among the miners, uraniums were actively supported. Pancontinental was unchanged.

JOHANNESBURG—Gold shares were easier following lower overseas bullion indications in quiet trade, dealers said.

Financial minings were quietly easier in line with producers. Coppers were lower in thin trade. Platinums also eased slightly. Other minerals were mixed. The industrial sector was moderately active.

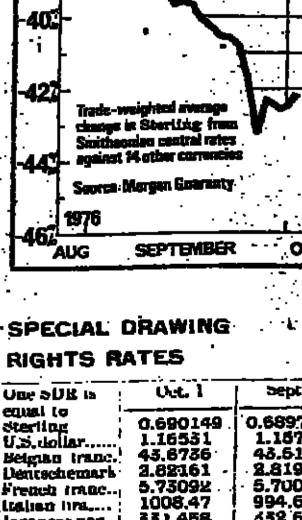
Slight gain in £

Sterling made a further, slight gain in the foreign exchange market yesterday, improving 25 points in terms of the U.S. dollar on balance in London to $1.6710-$1.6720. Conditions were generally calm, but the rate fluctuated over a fair range, of 80 points, during the day, opening at Friday's closing level of $1.6680-1.6700, and touching $1.6770-1.6780 at its day's peak, shortly before the release of the U.K. official reserves figures for September. The news of the $129m. increase in the reserves—helped by a standby-credit drawing and by public sector borrowing abroad—brought little reaction in terms of turnover, although it was followed by a falling back in the sterling rate.

The Bank of England's calculation of the pound's trade-weighted average depreciation in the pound against ten currencies since the Washington Currency Agreement of December, 1971, narrowed on the day to 44.2 per cent., from Friday evening's 44.7 per cent. At the opening and at noon it was at 44.3 per cent. The Morgan Guaranty calculation of the pound's weighted fall against various currencies in the same period narrowed to 42.20 per cent., from 42.48 per cent. The three-month discount on sterling, against the dollar, narrowed 15 points to 4.50 c.

The dollar lost ground against major currencies in general, with its Morgan Guaranty weighted fall widening to 2.92 per cent., from 2.78 per cent. The Italian lira, helped by the latest measures, was appreciably stronger, but the mark lost ground, as did the French franc, which, it seemed possible, received some official support. The Swedish krona, strengthened, helped by the rise in the Swedish Bank Rate to 8 per cent.

Gold fell $1⅞ an ounce on the day to $114-114¾, in moderate business. The premium on Krugerrand over its gold content was 4 per cent. in international business, and 4.4 per cent. in domestic.



GOLD MARKET

	Oct. 4	Oct. 1
Gold Bullion (a fine ounce)		
Close	$114-114¾	$115¾-116¼
Opening	$115-115¾	$116-117
Morning fix'g	$114.90 (£68.712)	$116.25 (£69.389)
Afterno'n fix'g	$114.35 (£68.208)	$116.05 (£69.618)
Gold Coins domestically		
Krugerrand	$118½-120½ (£71-72)	$120-122 (£72½-73½)
NewSov'r'gns	$41½-43½ (£25-26)	$42-44 (£25½-26½)
Old Sov'r'gns	$40-42 (£24-25)	$39½-41½ (£24-25)
Gold Coins (intern'naly)		
Krugerrand	$118-120 (£70¾-71¾)	$119½-121½ (£71¾-72¾)
New Sov'r'gns	$41½-43½ (£25-26)	$42-44 (£25¼-26¼)
Old Sov'r'gns	$36-38 (£21½-22½)	$36-38 (£21¾-22¾)
$20 Eagles	$187-190	$186-189
$10 Eagles	$98-101	$100-103
$5 Eagles	$66-69	$66-69

FOREIGN EXCHANGES

Oct. 4 1976	Bank Rates %	Day's Spread
New York	5¼	1.6680-1.6780
Montreal	8½	1.6400-1.6590
Amsterdam	7	4.27-4.33
Brussels	9	62.80-63.60
Copenhgen.	8½	9.81-9.88
Frankfurt	3½	4.07-4.15
Lisbon	6½	52.00-52.30
Madrid	7	113.50-115.70
Milan	15	1,408-1,435
Oslo	5	8.89-8.94
Paris	10½	8.25-8.32
Stockholm	8	7.15-7.18
Tokyo	6½	475-485
Vienna	4	28.54-28.90
Zurich	2	4.07-4.15

* Basic discount. ‡ Rates given for convertible francs: financial franc 65.40.

OTHER MARKETS

		Notes Rates
♦Argen'na	234.56-234.78	Argentina
Australia	1.5456-1.5595	Austria
Brazil	18.88-19.08	Belgium
Finland	6.44½-6.46½	Brazil
Greece	59.904-62.532	Canada
Hng Kong	8.1450-8.1750	Denmark
Iran	116-119	France
Kuwait	0.488-0.498	Germany
Luxembg	62.90-63.15	Greece
Malaysia	4.2935-4.3160	Italy
N. Zealand	1.7070-1.7252	Japan
Saudi Arab	5.85-5.95	Netherlands
Singapore	4.1620-4.1155	Norway
S. Africa	1.4444-1.8400	Portugal
U.S.—		Spain
Canada		Switzerland
C$1—		U.S.
U.S. cents	102.86-102.88	Yugoslavia

* Basic discount. ‡ Given rates by dealers. ♦ Rate given is Official BCRA rate 417.81-418.01.

FORWARD RATES

—	One Month	Three months
New York	1.75-1.65 c.pm	4.55-4.45 c.pm
Montreal	1.20-1.10 c.pm	2.85-2.75 c.pm
Amst'dam	1¼-¼ c. pm	4⅛-3⅛ c. pm
Brussels	75-95 c. dis	50-70 c. dis
Cop'nhg'n	3-6 ore dis	10-13 ore dis
Frankfurt	5-4 pf. pm	12½-11½ pf. pm
Lisbon	60 c.pm-10 c.dis	par-100 c. dis
Madrid	80-180 c. dis	400-500 c. dis
Milan	17-22 lire dis	55-62 lire dis
Oslo	2¼-4¼ ore dis	½-2½ ore dis
Paris	4⅛-3⅛ c.pm	10-9 c. pm
Stockh'lm	10½-12½ ore dis	10½-18½ ore dis
Vienna	35-25 gro pm	79-64 gro pm
Zurich	6⅜-5⅜ c.pm	15½-14½ c. pm

Six-month forward U.S. dollar [illegible] pm. and 12-month 14.60-14.50c. pm.

SPECIAL DRAWING RIGHTS RATES

One SDR is equal to	Oct. 1	Sept. 30
Sterling	0.690149	0.689770
U.S. dollar	1.16551	1.15709
Belgian franc	45.6736	45.5182
Deutschemark	2.82161	2.81925
French franc	5.73092	5.70084
Italian lira	1008.47	994.635
Japanese yen	331.458	332.606
Dutch guilder	2.96395	2.97199
Swedish krone	4.89990	4.95582
Swiss franc	2.82392	2.83140

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

EXCHANGE CROSS-RATES

Oct. 4	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Fr'nkfu't	..	2.458-459	49.62-72	6.52-55	4.110-115	95.87-95	99.95-100
N. York	40.65-71	—	20.21-24	2.660 665	1.616 677	39.00-04	40.65 65
Paris	201.85-202	4.94-96	—	13.121-145	8.286-8115	188.0-9	201.57-776
Brussels	15.35 37	37.68-74	7.60-63	—	65.17-22	14.58.74	16.52-57
London	4.15-4.11	1.671-672	8.26-27	62.9-65.1	—	4.28-29	4.10-11
Am'rd'm	104.495-545	2.559-561	51.70-75	6.791-796	4.285-290	—	104.305-356
Zurich	100.02-11	2.455-459	49.67-72	6.51-53	4.115-118	95.85-92	—

U.S. $ in Montreal. U.S. $=97.16-18 Canadian cents.
Canadian $ in New York C.$=102.81-102.83 U.S. cents. U.S. $ in Milan 844.00-846.00, Sterling in Milan 1,416.00-1,413.25.

EURO-CURRENCY INTEREST RATES*

Oct. 4 1976	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W.German mark	Swiss franc
†Short term	14⅞-15⅛	5¼-5½	8¼-9¼	19-21	3⅞-4⅛	¾-⅞
7 days notice	17-17½	5¼-5½	8¾-9¾	19-21	3⅞-4⅛	1-1⅛
Month	17½-18	5⅜-5⅝	9⅛-9⅜	15½-16½	4¼-4⁷⁄₁₆	⅞-1⅛
Three months	16⅞-17⅞	5½-5¾	9⅜-9⅝	13¼-14¼	4½-4⅝	2⅜-2⅝
Six months	17-17½	5⅞-6⅛	9½-9¾	11½-12½	4⁹⁄₁₆-4¹¹⁄₁₆	2⁷⁄₁₆-2⁹⁄₁₆
One year	16½-17	6¼-6½	9⅛-9⅜	9½-10½	4⅞-5⅛	2¼-2⅜

Euro-French deposit rates: two-day 9½-10½ per cent.; seven-day 9½-10½ per cent.; one-month 10½-11½ per cent.; three-month 12-12½ per cent.; six-month 11½-12½ per cent.; one year 11½-12½ per cent.

Longer-term Eurodollar deposits: one year 7-7¼ per cent.; three years 7½-7¾ per cent.; four years 8-8¼ per cent.; five years 8½-8¾ per cent.

The following nominal rates were quoted for London dollar certificates of deposits: one-month 5⁷⁄₁₆-5⁵⁄₁₆ per cent.; three-month 5½-5⅜ per cent.; six-month 5¾-5¹¹⁄₁₆ per cent.; one year 6¼-6⅛ per cent.; two-year 7¼-7 per cent.

* Rates are nominal closing rates.
† Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and swiss francs.

Indices

NEW YORK—DOW JONES

	Oct. 4	Oct. 1	Sept. 30	Sept. 29	Sept. 28	Sept. 27	1976 High	1976 Low	Since compilation High	Since compilation Low
Industrial	977.98	979.89	990.19	991.19	994.95	1015.13	1014.79 (21/9)	858.71 (2/1)	1051.70 (11/1/73)	41.22 (2/7/32)
Home B'nds*	89.45	89.39	89.26	89.18	89.98	89.50	89.86 (25/9)	85.66 (15/7)	—	—
Transport	214.66	215.10	217.54	217.22	219.28	221.46	231.27 (14/7)	175.69 (2/1)	279.88 (7/2/69)	13.23 (8/7/32)
Utilities	88.00	87.74	87.78	87.84	88.18	88.29	88.82 (21/9)	84.8 (26/5)	163.32 (20/4/65)	10.58 (22/4/42)
Trading vol. 000's	12,750	20,620	14,700	18,090	20,440	17,450	—	—	—	—

* Basis of index changed from July 1.

Ind. div. yield %	Oct. 4	Sept. 24	Sept. 17	Year ago (approx.)
	3.92	3.80	3.85	4.67

STANDARDS AND POORS

	Oct. 4	Oct. 1	Sept. 30	Sept. 29	Sept. 28	Sept. 27	1976 High	1976 Low	Since compilat'n High	Since compilat'n Low
*Industrials	117.29	116.80	118.07	118.22	118.81	120.39	120.89 (21/9)	101.64 (2/1)	134.64 (11/1/73)	3.52 (30/6/32)
†Composite	104.62	104.17	105.24	105.37	105.92	107.26	107.83 (21/9)	90.90 (2/1)	120.24 (11/1/73)	4.40 (1/6/32)

	Sept. 29	Sept. 22	Sept. 15	Year ago (approx.)
Ind. div. yield %	3.46	3.40	3.49	3.96
Ind. P/E Ratio	11.97	12.21	11.82	11.32
Long Govt. Bond yield	5.23	5.18	5.22	6.10

N.Y. S.E. ALL COMMON.

Oct. 4	Oct. 1	Sept. 30	Sept. 29	1976 High	1976 Low
55.62	55.70	56.25	56.30	57.51 (21/9/76)	57.05 (2/1/76)

Rises and Falls	Oct. 4
Issues Traded—1,835	Up—651
Down—713	Same—471
New Highs 43	New Lows 19

MONTREAL	Oct. 4	Oct. 1	Sept. 30	Sept. 29	1976 High	1976 Low
Industrial	182.82	183.97	184.60	184.81	207.55 (19/6)	176.62 (2/1)
Combined	183.29	184.00	184.55	184.56	198.78 (20/5)	173.67 (2/1)
TORONTO Industrial	183.63	184.31	184.84	184.82	197.46 (20/3)	173.01 (2/1)
JOHANNESBURG Gold	139.5	140.8	141.6	—	226.7 (12/5)	115.5 (25/8)
Industrials	188.4	188.2	187.8	—	216.0 (21/5)	177.1 (30/5)

	Oct. 4	Previous	1976 High	1976 Low
Australia (a)	—	466.25	522.83 (19/6)	440.52 (6/1)
Belgium (b)	92.42	92.70	115.12 (6/2)	92.64 (16/9)
Denmark (d)	107.74	107.69	117.70 (19/3)	101.20 (15/5)
France (e)	66.1	66.2	74.5 (5/5)	68.2 (1/10)
Germany (f)	755.5	743.9	821.7 (11/5)	721.6 (9/8)
Holland (g)	84.5	81.0	105.5 (2/2)	80.6 (30/9)
Hongkong (h)	411.04	413.35	460.52 (1/3)	354.55 (2/1)
Italy (k)	74.27	76.17	91.37 (25/2)	72.20 (4/5)
Japan (m)	356.24	356.31	359.61 (1/9)	322.11 (27/8)
Singapore (n)	267.12	269.14	295.16 (5/2)	236.50 (2/1)
Spain (p)	—	80.45	100.79 (7/5)	79.42 (8/9)
Sweden (q)	392.67	409.93	476.96 (10/6)	395.56 (19/1)
Switz'rl'd (r)	274.1	275.0	298.6 (12/3)	263.7 (1/9)

Indices and base dates (all base values 100 except NYSE All Common—50, and Standards and Poors 10): (a) Sydney All Ord. (b) Belgian SE 31/12/63. (d) Copenhagen SE 1/1/73. (e) Paris Bourse 1961. (f) Commerzbank December, 1953. (g) Amsterdam Industrial 1970. (h) Hang Seng Bank 31/7/64. (k) Milan 2/1/73. (m) Tokyo New SE 4/1/68. (n) Straits Times 1966. (p) Madrid SE 31/12/74. (q) Stockholm Industrials 1/1/58. (r) Swiss Bank Corp. 31/12/58. (u) Unavailable. ‡ Excluding bonds. * 400 Industrials. † 400 Inds., 40 Utilities, 40 Finance and 20 Transport. (e) Closed.

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £—128% (131¼%)

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
♦ DM50 denom. unless otherwise stated. ♥ Ptas.500 denom. unless otherwise stated. ♣ Kr.100 denom. unless otherwise stated. Φ Frs.500 denom. unless otherwise stated. ‡ Yen 50 denom. unless otherwise stated. ≠ Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs: including Unilac div. p Nom. q Share split. s Div and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. ≠ Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. Δ Interim since increased.

NEW YORK

Stock	Oct. 4	Oct. 1
Corning Glass	70	70⅝
Johns Manville	29⅝	29½
Republic Steel	54⅛	54½
Xerox	62⅝	62½
[illegible]	[illegible]	[illegible]

CANADA

Stock	Oct. 4	Oct. 1
[illegible]	[illegible]	[illegible]

GERMANY ♦

Oct. 4	Prices Dm.	+ or —	Div. %	Yld. %
A.E.G.	86.3	−2.4	—	
Allianz Versich.	392	−2.5	18	2.3
B.M.W.	217.5	−6	18	4.1
B.A.S.F.	156	−2	14	4.5
Bayer	130.3	−1.8	14	5.3
Bayer Hypo	287	−3.5	20	3.4
Bayer Vereinsbk.	297	−3	20	2.8
Commerzbank	179.8	−2.5	18	5.0
Conti.Gummi	81.5	−2	—	—
Daimler	338	−5	17	2.2
Degussa	229	−1	16	3.9
Demag	158.5	−2.5	16	5.0
Deutsche Bank	290.5	−3.7	20	3.5
Dresdner Bank	218.5	−3.5	20	4.6
Dyckerhoff Zem't.	143	−1	6	2.2
Gutehoffnung	182	−6	14	3.8
Hapag Lloyd	109	+1	12	5.5
Harpener Dm 100	145	−4	9	6.1
Hoechst	140.5	−2.2	14	5.1
Hoesch	53	−2.1	—	—
Kali Salz (Dm50)	103.5	+1.5	7	3.3
Karstadt	385	−2	20	2.6
Kaufhof	243	−6	20	3.9
Kloeckner Dm 100	111	−3	—	—
Kloeck Humbolt	149	−3	10	3.4
Krupp Prf Dm 100	111	−2.5	—	—
Kundenkredit Bk.	273	......	20	3.6
Linde	208	−4	16	3.9
Lowenbrau Dm 100	1,860	......	20	1.3
Lufthansa	96.5	−2.5	4	2.1
M.A.N.	170.5	−1.5	12	3.5
Mannesmann Dm 100	327	−7	14	4.3
Metallgesellschaft	227.5	−7.5	10	—
Munch. Ruckvers.	460	......	18	2.0
Neckermann	85.5	−2	—	—
Preussag Dm 100	147.5	−0.5	7	4.3
Rhein West Elect.	152.5	−3	17	5.2
Schering	322.5	−5.5	20	3.1
Siemens	274.3	−3.7	16	2.4
Sudzucker	260	−6	19	3.7
Thyssen	110	−4.5	14	6.2
Verein & West Bk	304	−2	20	2.9

PARIS

Oct. 4	Price Frs.	+ or —	Div. Frs.	Yld. %
Afrique Occid'tle	380.5	+1.5	19.8	5.2
Air Liquide	338.50	......	16.5	4.8
Aquitaine	296.5	+1.4	22.5	7.7
Beghin	79	−0.5	—	—
B.S.N. Gervais	562	−5	37.8	6.6
Carrefour	1,424	−20	57	4.1
Chargeurs Reunis	172.2	−1.8	16.5	9.4
Citroen	45.2	−1.2	—	—
Cie Bancaire	230	+2	12	5.1
C.G.E.	263	−2	23.9	9.1
Credit Com Fr'nce	100.1	+0.1	10.9	10.5
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MILAN

Oct. 4	Price Lire	+ or —	Div. Lire	Yld. %
Alitalia Priv.	660	−20	—	—
ANIC	465	−20	—	
Assicur. Fin.	5,100	−140	120	4.2
Bastogi	974	−36	—	
Breda	2,219	−60	165	6.7
Burgo	8,800	−200	—	
Cantoni	5,830	−210	—	
CIGA	1,630	−80	—	
Cucirini	3,970	−70	225	5.6
Dalmine	692	−18	75	1.1
Erba	1,928	−32	—	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AUSTRALIA

Oct. 4	Aust. $	+ or —
AUMIL	†0.77	......
Acrow Australia	†0.61	−0.08
Adelaide Brighton Cement 50c	†1.19	......
Allied Mnfg-Trdg. Indus. $1	†1.62	......
Ampol Exploration	†1.15	......
Ampol Petroleum	†0.67	+0.02
Assoc. Minerals	†5.45	......
Assoc. Pulp Paper $1	†0.93	......
Aust. Con. Industries	†1.52	−0.02
Aust. Foundation Invest	†0.84	......
A.N.I.	†1.07	......
[illegible]	[illegible]	[illegible]

JOHANNESBURG

MINES

October 4	Rand
Anglo American Corpn.	3.90
East Driefontein	7.82
Elsburg	1.15
Harmony	3.45
Kinross	3.00
Kloof	5.30
Potgietersrust Platinum	1.03
St. Helena	13.79
South Vaal	5.30
Gold Fields SA	13.85
Union Corporation	3.65
[illegible]	[illegible]

INDUSTRIALS

BRUSSELS/LUXEMBOURG

AMSTERDAM

COPENHAGEN

VIENNA

SWITZERLAND ♦

TOKYO ‡

Sydney closed Oct. 4.

STOCKHOLM

OSLO

SPAIN ♥

FARMING AND RAW MATERIALS

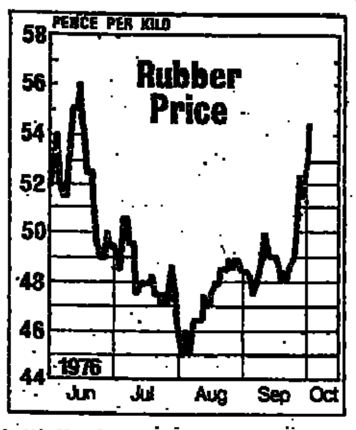
Mixed reaction to new U.S. stockpile plans

BY JOHN EDWARDS, COMMODITIES EDITOR

REVISED OBJECTIVES for the U.S. strategic stockpile announced in Washington brought a sharp rise in natural rubber prices yesterday, but had a mixed reaction on the London Metal Exchange.

The London rubber futures market quickly moved the permissible limit up, reflecting the rise in Eastern markets overnight and the announcement of a new U.S. three-year stockpile target of 513,134 long tons against the previous one-year objective of zero holdings of rubber. On the futures market the December position closed 3p up at 60.75p a kilo, while the spot quotation on the physical market was lifted by 1.50 to 54.50p a kilo—its highest level since June.

On the London Metal Exchange a firm undertone was given to the copper, lead and zinc markets by the increased U.S. stockpile objectives announced by the General Services Administration. But tin prices shot up to new peak levels despite a reduced stockpile, reduced objective announced, and silver was more influenced by the trend in gold although depressed initially by the apparent stockpile objective to dispose of all its silver holdings eventually.



It was pointed out that there will be little, if any, immediate impact from the change in the stockpile objectives, announced after a special study incorporating the revised policy of the U.S. Administration to hold three-year, instead of one-year, emergency supplies of so-called strategic raw materials.

Mr. Leslie Bray, director of the Federal Preparedness Agency, said the GSA is unlikely to get Congress approval for a budget appropriation to acqquire items for its new stockpile goals before the fiscal year beginning October 1, 1977.

He also stressed, reports Reuter, that any purchases or disposals would be conducted so as not to disrupt markets or normal supply and demand patterns. Requirements would be reviewed on a continuing basis taking into account changing market conditions.

Changes in stockpile goals with previous one-year objectives in brackets:

Copper 1,299,000 short tons (zero), lead 865,000 short tons (65,100), tin 32,499 long tons (40,500), zinc 1,313,000 short tons (202,700), silver zero (21,663,000 ounces), nickel 204,335 short tons (zero), rubber 513,134 long tons (zero), platinum 1,314,000 troy ounces (1,875,000).

Out of the 92 comparative items on the stockpile goals list, requirements were raised for 72 items, lowered for 12, with eight unchanged.

Alumina was the only new item on the list with a goal target of 11,532,000 short tons.

UN talks over commodities

BY DAVID EGLI GENEVA, Oct. 4.

A TIMETABLE for meetings on a wide range of international commodities will be submitted for approval to the UN Trade and Development Board which meets here to-morrow. It includes preparatory talks on jute and hard fibres later this year, with rubber, oils and oilseeds, tropical timber, bananas, cotton, tea, phosphate, iron ore, manganese and bauxite scheduled for 1977, in addition to further meetings on copper.

The most important item, however, will be the negotiation of a common fund from which to finance buffer stocks and other regulatory arrangements for these commodities under the integrated programme. An initial review of the common fund issue is scheduled for the beginning of December and it is expected that preparatory talks will continue intermittently between then and March, 1977, when full negotiations should begin.

The integrated programme for commodities, approved by the fourth UN conference on trade and development earlier this year, is being presented as a "major breakthrough in international commodity policy." But Mr. Gamani Corea, Secretary-General of Unctad, will warn the enlarged Board (all member states of Unctad may now participate) that translation of the principle of the programme into operational mechanisms satisfactory to both developed and developing countries will involve "hard negotiations and great difficulties."

Meanwhile, background papers prepared for each of these meetings by the Unctad secretariat provides an insight into the present and past status of efforts to achieve international agreements.

Copper group formed

BY DAVID EGLI GENEVA, Oct. 4.

AN INTERGOVERNMENTAL expert group on copper set up here is expected to meet three times between now and next March to work out recommendations for the next preparatory meeting on copper organised by the Unctad.

The terms of reference for the group, agreed after lengthy consultations that lasted until late on Friday night, do not include any reference to a proposed International Copper Agreement.

The group is called on to examine measures and techniques required to achieve the objectives of the Unctad integrated commodities programme, determine the financial requirements resulting from these, examine the situation in world copper markets and make any proposals for interim measures as may appear to be necessary.

Out of the 60 nations that attended the talks here last week 28 countries—14 exporting and 14 consuming—have been called on to nominate experts for the group. One seat has been reserved for a representative of Cipec — the intergovernmental council of copper exporting countries.

Sharp fall in cocoa prices

By Richard Mooney

COCOA PRICES fell back sharply on the London terminal market yesterday with the March position ending £36.75 below Friday's closing level at £1,592.5 a tonne.

Dealers attributed the fall to the pre-weekend tone in New York aided by sterling's early firmness and persistent trade selling. The March price sank to £1,573 a tonne at one stage, but was boosted in late trading when sterling came under some pressure.

Coffee prices gained further ground, however, and the January futures position reached £1,860 a tonne before closing £15.5 up on balance at £1,847 a tonne. There was no fundamental news to explain the advance, which dealers said reflected a general strengthening in sentiment.

The new International Cocoa and Coffee Agreements came into operation on Friday, but they will have no direct impact on the market as the price ranges, negotiated last autumn, have been left far behind by the subsequent upsurge in world prices.

The International Coffee Organisation (ICO) and the International Cocoa Organisation (ICCO) have announced changes in the methods for calculating indicator prices.

The ICO's Robusta price, formerly based on Angola Ambriz 2BB and Uganda Standard, will now be based on Angola Ambriz 2AA and Uganda Standard. But as neither Angolan quote is currently available the change has no immediate effect.

The ICCO's change affects the 15-day and 22-day average indicator prices. The prices will now be quoted up to and including the day of quotation. Previously they covered the period up to the day prior to quotation. The daily price quotation is not changed.

Peru anchovy stock test fleet sails

LIMA, Oct. 4.

AN EXPLORATORY anchovy fishing fleet is being sent out to-day to test the stock in Peruvian waters, fisheries' sources said.

A fleet of about 80 vessels is thought to be involved and trade sources said the fishing is expected to continue for about two weeks.

Reuter

U.K. AGRICULTURE

How 'green pound' cuts our food bill

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

THE GREEN pound is playing a vital role in keeping down food prices in the U.K. at present. That is why the EEC Farm Ministers' deliberations about the green pound in Luxembourg this week can affect every family in the land.

The "green pound" represents the rate at which the prices fixed under the Common Agricultural Policy are translated into sterling. These prices are fixed in units of account originally based on the U.S. dollar. The green pound rate is 1.7559 units of account to the pound. If the full effects of the fall in sterling were affected on a day-to-day basis the rate would be roughly 1.3 u.a. to the pound.

If these rates were used as a basis for farm prices it would mean that the prices would have to rise in Britain by about 30 per cent. in order to remain on equal terms with those fixed in the Community. Instead, the EEC has instituted a system of monetary compensatory amounts (MCAs) which are applied in inter-Community trade and altered weekly as currencies fluctuate.

MCA's are not new. They were designed to provide common prices in spite of monetary changes. They were first instituted to protect German farmers when the Deutsche mark was revalued in the late 1960's and, in their case, were taxes on imports from countries whose currencies were of lower value such as France and Holland. German MCA's which rose to 12 per cent. at their highest are being slowly reduced and stand at 7 per cent.

In the case of Britain, the MCA's act as a subsidy on imports both from the Community and in certain cases from third countries. Until May 17 last they were paid to the importer in the U.K., but because of the fall in sterling, which was not reflected in the "green £" rate, payment has since been made to the EEC exporter to be exchanged at his own country's reference rate which meant that the total charge to FEOGA, the EEC farm fund, was reduced.

At the same time, MCA's are also applied to exporting farm produce from the U.K. to the Community as export levies so that British exporters should not get an advantage from the depreciation of sterling.

The cost of financing the MCA's in agricultural produce trade between Britain and the rest of the Community was roughly £300m. last year and could rise further this year if the system of paying exporters in their own currency does not create sufficient savings. The Commission has also placed a temporary limit on the amount it will pay claiming that the actual fall of sterling may only be temporary.

The benefits of the MCA's to the British consumer are considerable. Butter from the Community receives an MCA of £281 a tonne. Any devaluation of the "green £" would have the effect of reducing the MCA by an equivalent percentage thus raising the price at which it could be sold

Where MCA's are applied to imports from third countries they can also act as subsidies. For instance, grain from third countries is imported into Britain subject to the EEC levy which is abated by the transitional compensatory amount. The MCA is then deducted from this abated levy and depending on the amount of the levy at the time the result can either be a subsidy or a tax on the import.

British farmers are angry that the MCA system prevents them receiving full Community prices which, thanks to the fall in sterling, are now standing well above those they receive at present. They are pressing for a devaluation of the "Green £" which would have the effect of raising intervention prices which guarantee their products and would also reduce the subsidies paid to European farmers exporting to this country.

Pig meat is a special case. The MCA on this is calculated on a theoretical intervention price which has not been used since 1971 and its effect is that the total MCA for a pig carcase today works out at £165 a tonne. In terms of processed meat this gives the Dutch and Danish processers an export subsidy of about 12p a lb for bacon and 25p a lb for canned ham.

In consequence these processes are paying farmers some £6 a pig more than curers can in Britain where a number of factories are having to close and the whole of the bacon industry is said to be in danger.

The Government is attempting to change the basis of calculating the pig meat MCAs to a formula based on grain MCAs, a system which is already used for poultry products. The effect of such a change would be to reduce the export subsidy for pig meat by nearly 60 per cent.

Reduction of the pig meat MCA in this way would make little difference to the cost of bacon as it is priced by demand and is not supported by intervention, but any reduction of the remaining MCAs would be directly reflected in a rise in the cost of food.

FAO forecasts serious fodder shortage

ROME, Oct. 4.

EUROPEAN CATTLE farmers will suffer a serious fodder shortage this winter because of the recent drought, a report prepared by the United Nations Food and Agriculture Organisation (FAO) Secretariat stated, reports Reuter.

The report, prepared for a meeting here this week of the intergovernmental group on meat, forecasts a sharp rise in imports for animal feed, including maize and barley, to make up for local fodder already consumed this summer, and a drop in cereal output because of the drought.

The short term outlook could worsen considerably in the case of an early winter or late spring, causing severe hardship in France and other drought-stricken regions and soaring prices for animal feed, the FAO report added.

Relief measures taken so far by governments may prove insufficient, while the medium-term effects on beef production could mean a drop in potential output for the second half of 1977 and 1978.

EEC import requirements of maize this season could rise to between 16m. and 18m. tonnes, from 13m. in 1975-76 while oil seed and oil cake imports are estimated to rise by 35 per cent.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

[illegible]

TIN

Kerb at £4,995. Turnover 960 tonnes.

[illegible]

SILVER

[illegible]

COCOA

Market opened limit down on near December. Values later traded even lower and the market remained under pressure throughout the day, reports Gill and Duffus.

[illegible]

FREIGHTS

DRY CARGO—North American grain sector moderately active with heavy cargoes arranged from the U.S. Northern Range to Casablanca at $12.50 and to Tarragona at $7.25 fio both in October. Two cargoes of meals were covered from the U.S. Gulf to Poland at Lumpsum equivalents to $18 and $18.25 for October. Grains also included from Toledo to Glasgow or Belfast at $18.75 fio in October. Coal operators covered 90,000 long tons from Hampton Roads to Japan at $6.45 from Oct.-Nov., while bauxite from Port Rhodes to Gramercy and Baton Rouge paid $2.25 fio for Oct. A vessel was booked for potash from Pasajes to Coatzacoalcos at $10.50 fio in Oct., while sugar shippers booked from East Coast Guatemala to U.S. Gulf at $7 fio, also in October.

Time charters booked a 49,000 long dwt vessel with Continental delivery for U.S. Gulf round voyage at $2.50 per long ton. A log carrier was secured from Japan to Brazil at $5.55½ per long ton, and a vessel of nearly 60,000 long dwt was arranged with delivery Straits of Dover for one or two West African round voyages at $2.45.

COFFEE

Robusta futures held steady for most of the afternoon with fairly good general support evident on any dip. At close a spate of profit-taking and long liquidation orders in near November prompted a downward reaction across the board, and the market closed easier.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
November...	1859-865	—5.50	1880-858
January......	1846-848	+15.50	1860-835
March	1820-823	+8.00	1856-818
May............	1795-800	+2.00	1815-795
July...........	1790-795	+6.50	1810-786
September...	1785-790	+2.50	1800
November...	1780-790	+5.00	1800-787

Sales: 2,344 (6,302) lots of 10 tonnes.

ICO Indicator prices (U.S. cents per pound)—Colombian Mild Arabicas 186.25 (186.00); unwashed Arabicas Santos Fours 159.50 (158.50); other Mild Arabicas 167.67 (166.50); Robustas 142.75 (141.50). Daily average 155.21 (158.75).

RUBBER

STEADY opening on the London physical market. Good interest throughout the day, closing on a firm note. Lewis and Peat reported a Malaysian godown price of 296 cents a kilo (buyer, October).

No. 1 R.S.S.	Yesterday's close	Previous day's close	Business done
Nov.	60.00-61.50	57.50-58.00	58.85-57.50
Dec.	60.00-60.20	58.50-58.00	58.50-58.15
Jan.-Mar.	62.65-62.75	60.20-60.50	62.60-61.30
Apr.-Jne	64.35-65.00	62.70-62.80	65.70-62.60
Jly-Sept	67.20-67.25	65.00-65.10	67.75-64.80
Oct-Dec	68.55-69.65	67.25-67.55	69.55-68.50
Jan-Mar	70.00-70.50	68.00-69.00	—
Apr-Jne	68.75-71.75	68.20-68.80	—
Jly-Spt	70.25-72.50	68.60-70.00	—

Sales: 554 (238) lots of 15 tonnes.

Physical closing prices (buyers) were: Spot 54.5p (53.0); Nov. 54.25p (53.0); Dec. 55.25p (54.0).

SOYABEAN MEAL

Market opened easier on follow through from Chicago and trade selling in thin volume. Later, firmer Chicago led to trade short covering with prices closing around unchanged on the day, reports SNW Commodities.

	Yesterd'ys Close	+ or —	Business Done
	£ per tonne		
October	122.00-26.5	+0.75	121.50
December ...	155.00-35.5	......	146.10-35.10
February	141.00-42.8	+0.45	139.50-39.00
April..........	143.00-48.0	—0.38	—
June	143.50-48.0	—1.26	—
August.......	146.00-50.0	—2.00	—
October	149.00-53.0	—1.00	—

Sales: 70 (102) lots of 100 tonnes.

GRAINS

LONDON GRAIN FUTURES MARKET (GAFTA)—Wheat, steady. Closing: Nov. 84.25, Jan. 86.80, March 89.10, May 91.15, Sept. 92.25. Business: Nov. 84.30-83.80, Jan. 87.00-86.60, March 89.20-88.65, May 91.20-90.35, Sept. 92.50-90.50. Sales: 137. Barley steady. Closing: Nov. 81.65, Jan. 84.60, March 86.70, May 88.25, Sept. 90.55. Business: Nov. 81.90-81.35, Jan. 84.70-84.10, March 86.90-86.35, May 89.00-88.85, Sept. 90.00-89.75. Sales: 91.

THE BALTIC—Business remained quiet with little movement in prices. Traders were generally awaiting news from Luxembourg on the EEC farm ministers meeting.

MARK LANE—Domestic grains were rather quiet at around previous offering levels. Milling wheat met a small offtake in London £85.75 Oct. and £91 a tonne Jan.-March with the latter delivery also selling in Liverpool £92. Limited short-covering demand was noted for denaturable quality wheat which changed hands in Liverpool Oct. £86 and £88.25, and in East Anglia £84 Oct. and £85.50 Nov.

Feed barley was neglected. Average sellers quotations a tonne for delivery London area: wheat milling Oct. £86; Nov.-Dec. £88; denaturable Oct. £84.75; feed barley unquoted.

HGCA—Location ex-farm spot prices for October 4: Non-breadmaking milling wheat: Cambridgeshire £82.95. Feed wheat: Cambridgeshire £80.45, Cent. Scotland £81.70. Feed barley: Cambridgeshire £77.60, Cent. Scotland £79.65.

HGCA—Regional and U.K. average ex-farm spot prices for week-ending Thursday: Non-breadmaking milling wheat—S.E. £81.75, E. £82.20, E. Midlands £83.00, W. Midlands £83.45, N.E. £81.90, N.W. £82.10, Scotland £82.20, U.K. £82.10. Feed barley: S.E. £78.40, S.W. £80.10, E. £79.15, E. Midland £78.00, W. Midlands £79.50, N.E. £78.85, N.W. £79.00, Scotland £76.70, U.K. £78.95.

Wheat—U.S. Dark Northern Spring No. 2, 14 per cent. Nov. £89.25, Dec. £91.80 transhipment East Coast. U.S. Hard Winter No. 2 Ord. Nov. £79.25, Dec. £81.00 transhipment East Coast. EEC Feed Oct. £84.50 East Coast.

Maize—No. 3 Yellow American/French Oct. £84 transhipment East Coast.

Barley—EEC Feed/Canadian Oct. £83.50 West Coast.

SUGAR

LONDON DAILY PRICE (raw sugar) £119.00 (£118.00) a ton cif for Oct.-Nov. shipment. White sugar daily price was fixed at £161.00 (£162.00).

After opening around pre-week-end levels, prices rose by some 300 points over the day to close around the highs, C. Czarnikow reports.

Sugar Pref Comm Con.	Yesterday's Close	Previous Day's Close	Business Done
	£ per ton		
Dec	128.50-18.00	128.00-28.50	128.50-24.50
March ..	130.60-55.75	157.75-57.90	157.60-52.75
May	148.25-45.50	143.00-46.25	145.50-38.40
Aug.....	148.25-48.50	148.00-49.00	148.00-46.00
Oct.	153.50-54.00	153.00-54.00	156.10-50.10
Dec.	158.00-62.50	158.00-59.50	158.85-56.00
March .	168.00-66.00	161.50-65.50	164.00

Sales: 1,800 (2,562) lots of 5 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £224.60 (same) a tonne for home trade and £185 (£184) a tonne for export.

WOOL FUTURES

LONDON—Market sharply higher with recent improved turnover maintained, reports Bache.

(Pence per kilo)

Australian Greasy Wool	Yesterd'ys close	+ or —	Business Done
October	234.0-37.0	+0.50	236.0-35.00
December	243.0-44.0	+0.75	245.0-43.1
March	257.5-58.4	+1.70	260.0-58.0
May	265.5-67.5	+3.50	267.0-64.0
July	275.0-74.0	+4.50	275.0-72.0
October	277.0-82.0	+1.00	—
December	281.0-87.0	+7.00	—
March	285.0-92.0	—0.50	286.0

Sales: 286 (198) lots of 1,500 kilos.

BRADFORD—Prices show little change due to the slow adjustment of previous rises in costs or to recognition of a slightly firmer sterling exchange rate.

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on week-ending October 2: GB—Cattle £29.86 per live cwt (+0.41). U.K.—Sheep 49.4p per pound edcw (+2.9). GB—Pigs £4.81 per sclw (—0.17). England and Wales—Cattle Numbers down 12.1 per cent., average price £30.09 (+0.41); sheep down 22.0, average 50.1p (+3.0); pigs up 4.0, average £4.80 (—0.18). Scotland—Cattle down 8.7, average £29.41 (+0.42); sheep down 22.9, average 45.4p (+2.1); pigs up 20.0, average £4.83 (—0.03).

MEAT COMMISSION—Average fatstock prices at representative markets October 4: GB—Cattle £30.57 per live cwt (+0.64); U.K.—Sheep 52.1p per pound e.d.c.w. (+4.5); G.B.—Pigs £4.82 per sc. l.w. (—0.06); England and Wales—Cattle numbers up 4.1 per cent., average £30.73 (+0.77); sheep up 8.3 per cent., average 53.0p (+4.2); Pigs down 12.9 per cent., average £4.82 (—0.06). Scotland—Cattle down 14.7 per cent. average £30.03 (+0.95); sheep down 10.9 per cent., average 49.4p (+5.4); Pigs down 13.8 per cent., average £5.11 (+0.10).

SMITHFIELD (pence per pound)—Beef: Scotch killed sides 46.0 to 49.0, hindquarters 54.0 to 57.0, forequarters 36.0 to 38.0, Eire forequarters 36.5 to 38.0.

Veal: Dutch hinds and ends 74.0 to 76.0, *hinds and ends 78.0, English small 40.0 to 46.0, *small 48.0, medium 40.0 to 43.5, heavy 40.0 to 43.5, Scotch medium 40.0 to 45.0, heavy 40.0 to 44.0, hill 40.0 to 46.0. Imported frozen: N.Z. PL 44.0 to 45.0, PM 43.0 to 43.5, PH 40.0 to 40.0, YLs 43.0 to 45.0.

Pork: English under 100 lbs 33.0 to 39.0, 100-120 lbs 32.0 to 38.0, 120-160 lbs 30.0 to 36.0, 160-180 lbs 30.0 to 33.0.

Grouse: Young best (each) 75.0 to 75.0.

* Very high quality produce in limited supply.

COVENT GARDEN (Prices in sterling)—Imported produce: Oranges—Sth. African 56 4.35, 72 4.60, 88 4.55, 112 3.20, 138 3.60, 150 3.65; Californian: 4.20-4.80. Grapefruit—Sth. African: 48 2.90, 56 3.00, 64 2.50; Dominican: 3.60-4.00. Lemons—Sth. African: 80/195 4.50-5.50; Italian: Special 5.00-5.30; Florida: 5.50; Chilean: 5.00; Spanish: 4.50; Cypriot: 4.60; Turkish: 4.00. Lemons—French: Golden Delicious 1.80-2.10, Stark Crimson 2.20-2.30, Granny Smith 2.90-3.00, 28 lbs Golden Delicious 2.10-2.40. Pears—Italian: per pound Williams 0.14-0.15. Plums—Italian: 28 lbs Anna Spath 2.20; Romanian: Anna Spath 1.50. Avocados—Sth. African: 3.00-3.50; Israeli: 3.50-3.80. Melons—Spanish: Yellow 1.50-2.20, Green 1.70-1.90: Israeli: Ogens 4.50-5.00. Grapes—Spanish: per 10 lbs Black 1.80, Almeria 1.50-1.60; Italian: Italia 2.20. Onions—Per 25 kgs Spanish: 4.00-4.60. Capsicums—Dutch: 2.40. Cucumbers—Canary: 10/16 2.00-2.20. Tomatoes—Guernsey: 0.80-0.90; Jersey: 0.70-0.80; Spanish mainland: 0.70-0.80. Chestnuts—Italian: 10 kilos 3.60; French: 2.80. Walnuts—Grenoble: 5 kilos 3.20. Dates—Algerian: 0.32-0.36 per box.

English produce: Apples—Per pound Bramley's Seedling 0.07-0.09, Derbys 0.05-0.07, Worcester Pearmain 0.06-0.8, Cox's Orange Pippin .06-0.12, Lambourne 0.06-0.08. Pears—Per pound Conference 0.04-0.07, Beurre Hardy 0.05. Tomatoes—Per box 12 lbs 0.60-0.70. Cucumbers—Per box 1.60-2.00. Mushrooms—Per pound 0.30-0.40. Potatoes—Per bag 4.00-5.20. Carrots—Per net 12½ kgs 1.00-1.30. Celery—Per 12/18 0.60-0.70, prepacked 18/20 2.00. Lettuce—Per 12 round 0.90, Webbs 0.90. Onions—Per net 25 kgs 3.60-4.00. Picklers No. 1 2.30, Cocktail 1.20. Marrows—Per box 15/25 1.20. Capsicums—Per 8 lbs 1.60. Beans—Per pound 0.08-0.12. Cabbages—Per net/box 1.00-1.10. Cob Nuts—Per pound 0.18-0.20. Cauliflowers—Per 12 Lincoln 1.20-1.40, Kent 1.50-1.60. Swedes Per kilo Devon 1.20, Scottish 0.90. Sprouts—Per 20 lbs 1.40-1.60. Parsnips—Per 28 lbs 2.00-2.20. Turnips—Per 28 lbs 1.00-1.30.

COTTON

COTTON—Liverpool: Spot and shipment sales amounted to 242 tonnes. Demand strengthened on larger requirements from spinners, but individual contracts were small. Turkish and Russian varieties again attracted attention with moderate support in African and Latin American.

COPRA—Philippines — Oct.-Dec. $335 seller a tonne, cif North European ports.

*

GRIMSBY FISH—Supply moderate, demand good. Prices per stone at ship's side, unprocessed: Shelf cod £3.20-£4.20, codlings £2.90-£3.60, large haddocks £3.30-£3.80, medium £3.00-£3.60, small £1.60-£2.00, large plaice £3.40-£3.70, medium £3.40-£3.60, best small £3.00-£3.40, large skinned dogfish £5.30, medium £4.80, saithe £1.40-£2.00, rockfish £1.90-£2.40, lemon soles £7.00, reds £1.50-£2.60.

LONDON PALM OIL—Market opened slightly easier against background of weaker physical oil situation and, with the opening of Chicago soyabean oil lower, this weakness was emphasised, Faure Fairclough reports. Closing: Oct. 380-270, Dec. 270-267, Feb. 271-368, April 272-371, June 272½-270½, August 276-275, Oct. 278-276. Sales: 3 lots.

JOHN MATTHEY COMMODITIES

Johnson Matthey Bankers have formed a wholly-owned subsidiary company, Johnson Matthey Commodities, to extend its trading operations to a wider range of metals apart from gold and silver.

PRICE CHANGES

Prices per ton unless otherwise stated.

	Oct. 4 1976	+ or —	Month ago
Metals			
Aluminium (x)	£579	....	£567.6
Free Market (cis)	$915-925	....	$985-995
Copper			
Cash Wire Bars (x)	£849.5	+4.0	£847
3 months do do. (x)	£882.75	+5	£877.25
Cash Cathode (x)	£837	+5	£836.5
3 months do. do. (x)	£869.5	+5.5	£865.5
Gold ......Troy oz.	$114.325	—1.75	$115
Lead Cash (x)	£288.5	+4.5	£276.5
3 months (x)	£301.5	+5.25	£285.75
Nickel (x)	£2,85 .6	—5.205	£2,785.5
Free Market (cif)(lb)	$2.09	....	£2.07-2.1
Platinum(b) troy oz.	£108-112	....	£105-08½
Free Market	£96.5	—0.7	£88-85
Quicksilver (76lb)(c)	$100-106	+5	$79-84
Silver Troy oz.	257.5p	—5.55	245.5p
3 months	266.5p	—2.65	252.6p
Tin Cash (x) §	£4,952.5	+56.0	£4,509
3 months (x)	£4,995	+60.5	£4,808.5
Wolfram 22.04lb. cif	£75½-75½	....	£72-74
Zinc-Cash (x)§	£414.5	—2	£413.5
3 months (x)	£432.75	—0.5	£429.25
Producers (v)	$795	....	$795
Oils			
Coconut Malayan	‡	....	‡
Groundnut			
g	£496	....	£432
Linseed Crude (x)	‡	....	£458
Palm Malayan (x)	$433	—2.0	$448
Soyabean (x)	‡	....	‡
Seeds			
Copra Philipp (x)	$335	....	$340
Gr'nuts Nigerian	‡	....	‡
Linseed Can. No. 1	£199	....	£194.5
Grains			
Barley EEC	£83.5	....	£76.25
Home Futures	£81.65	+0.45	£77.95
Maize			
French No. 3 Am.	£84	....	£77
S.A. Yellow	‡	....	‡
Wheat			
No. 1 Red Spring	‡	....	‡
No. 2 Hard Winter	£79.25	....	£89.25
Australian (f.a.q.)	‡	....	‡
English Milling (k)	£86	....	£87
Cocoa Shipment (a)	£1,858.5	—34.0	£1,479.5
Futures March	£1,592.5	—36.75	£1,464
Coffee shipment (c)	‡	....	‡
Futures Jan.	£1,847	+15.5	£1,555.5
Cotton 'A' Index cent	85.65	+0.6	85.36
Jute LJABWC (d)	$381	....	$381
Rubber kilo	54.5p	+1.5	47.5p
Sisal EA3L (x)	$600	....	$600
Sugar (Raw)	£119	+1	£118
Wooltops 64s....kilo	302p	....	275p
Cloves (Madagascar)	£3,250	....	£3,250
Pepper White...ton	£1,310	+10	£1,190
Black...ton	£1,118	+10	£985

* Nominal. † Seller. ‡ Unquoted. § Unofficial close. ♣ Indicative price. a Seller's quotation. b U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative prices f.o.b. Mombasa. U.S. cents a pound. d Bangladesh white "C." n Jan.-March. k Oct.-Dec. r Sept. x Metric tons.

FINANCIAL TIMES

Oct. 1	Sept. 30	Month ago	Year ago
240.38	239.82	235.40	175.75

(Base: July 1, 1952=100)

REUTER'S

Oct. 4	Oct. 1	Month ago	Year ago
1518.0	1515.2	1466.1	1157.6

(Base: September 18, 1931=100)

DOW JONES

Dow Jones	Oct. 1	Sept. 30	Month ago	Year ago
Spot	343.82	340.91	337.43	309.75
Futures	342.91	342.86	342.00	290.24

(Average 1924-25-26=100)

MOODY'S

Moody's	Oct. 1	Sept. 30	Month ago	Year ago
Spie Commo'ty	813.1	810.1	841.7	807.5

(December 31, 1931=100)

JUTE

LONDON—Steady. Bangladesh White "C" grade Sept.-Oct. $381; "D" grade Sept.-Oct. $362 a long ton.

Calcutta—Steady. Indian Rs.455.00: Dundee Tossa Four Rs.455.00 a bale of 400 lbs.

Apple crops smaller this year

By Our Commodities Staff

APPLE PRODUCTION in Europe, the U.S. and Canada this year should be lower than in 1975 a sub-committee of the Organisation for Economic Co-operation and Development (OECD) has reported.

For pears (with the exception of the U.K.) a continuous overall decline in output was recorded.

Among the estimates for the 1976 crop of apples the OECD lists the U.S. at 2.8m. tonnes (3.4m. last year); Canada 409,300 tonnes (460,200); Italy 2m. (2.1m.); France 1.7m. (2.1m.); Germany 1.2m. (2m.); Spain 1m. (1m.); U.K. 363,000 tonnes (366,000).

The size, quality and fitness for storage of certain varieties will have been affected by the drought the OECD pointed out. In the present economic situation there is a levelling out of consumption in some countries, it added.

Among the pear crop estimates were Italy 779,800 tonnes (847,500); Germany 295,200 (386,500); France 239,300 (187,100); U.S. 201,200 (216,500); U.K. 60,000 tonnes (27,000 tonnes).

More farm aid for Pakistan

By Our Own Correspondent

THE FAO is to make $14m. available for ten projects identified by the FAO Programme Mission to accelerate agriculture development in Pakistan.

This amount will be in addition to the $7.5m. already spent on various schemes from 1976.

Doctor Horst Geutting, FAO country representative in Pakistan, said the ten projects include poultry research, livestock, fruit development, cotton research, inland fisheries and agricultural marketing.

Over 14 policy studies covering cotton, sugar, edible oils and fruit procesing, among others, provide the basic framework for the World Bank, IDA, Asian Bank and the Consortium, Aid to Pakistan, besides helping in the formulation of national agricultural strategies, he said.

New stress grading mark for timber

THE TIMBER Research and Development Association (TRADA) is setting up a new quality assurance scheme for visually stress graded timber

The scheme, scheduled to start on January 1, involves regular inspections to ensure that certified graders employed by participating companies continued to grade satisfactorily, and will allow participants to use the "Trademark" on their timber.

STOCK EXCHANGE REPORT

New Account starts with a useful technical rally

Share index up 6.3 at 323.8—Gilt-edged better

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Sep. 20	Sep. 30	Oct. 1	Oct. 12
Oct. 4	Oct. 14	Oct. 15	Oct. 26
Oct. 18	Oct. 28	Oct. 29	Nov. 9

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Calmer conditions prevailed in stock markets yesterday after last week's sharp setback on the sterling crisis and both British Funds and equities staged a useful technical rally. Underlying sentiment was helped by the reasonably steady showing made by sterling on foreign exchange markets and by the mildly encouraging FT Monthly Survey of Business Opinion.

Despite faltering at one stage, Gilt-edged closed with gains ranging to ½ and occasionally more, which left the Government Securities index at 59.36, with a rise of 0.23 compared with last week's reaction of 1.21. Leading Industrials quickly responded to modest buying interest—official markings were only 4,234 compared with last week's daily average of 4,867—and by 11 a.m. the FT 30-share index was showing a rise of 6.9. Thereafter, activity virtually came to a standstill, but prices held up reasonably well and the index closed only a little below the best with a rise of 6.3 on balance at 323.8.

Apart from a few minor features in response to favourable week-end Press comment and company trading statements, secondary issues presented a rather mixed appearance. Nevertheless, rises had the edge over falls by 3-2 in FT-quoted Industrials, while the FT-Actuaries All-Share index improved 0.9 per cent. to 135.04.

Gilts steadier

A slightly more encouraging reading of the week-end Press coupled with yesterday's initial rally in sterling put British Funds on a steadier basis. Although business was generally small, selling was negligible and a few cheap buyers together with a certain amount of bear closing took quotations gradually higher. Low-coupon shorts ended a maximum of ¼ up, while gains extending to ¾ appeared against the longs, the latter after having been ½ better in places immediately following announcement of the September official reserves.

Revived offerings from arbitrage sources in a market bereft of buyers found conditions unreceptive and the investment currency premium reacted 3½ points to 128 per cent.: the early rally in sterling was an inhibiting influence along with Friday's continued reactionary trend on Wall Street. Among Foreign Railways, Antofagasta met with fresh demand and rose another 1½ points to a high for the year of £17½. Yesterday's SE conversion factor was 0.6794 (0.6711).

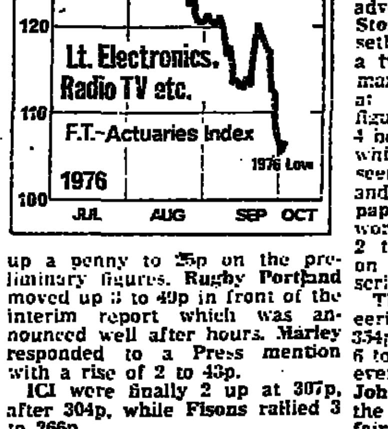
Home Banks improve

The four major clearing banks tended to edge further ahead in quiet trading. **Barclays**, 230p, and **Midland**, 235p, both improved 5, while gains of 2 were seen in **Lloyds**, 182p, and **National Westminster**, 202p. **Bank of Scotland**, however, remained dull at 212p ex-dividend, down 3. Elsewhere, **Arbuthnot Latham**, a depressed market of late, rallied 10 to 105p in a thin market. Among foreign issues, **Bank of New South Wales** lost 10 to 550p, while the new nil-paid reacted 15 to 160p premium. **Standard Chartered**, on the other hand, edged ahead by 4 to 327p.

Insurances joined in the rally, much of the gain being of a technical nature. **Royals** improved 5 to 254p, while similar advances were recorded in **Sun Alliance**, 334p, and **Phoenix**, 168p. **Leslie and Godwin** continued to attract speculative buying and gained 3 to 112p in Brokers but, against the trend, **Sedgwick Forbes** lost 4 at 212p.

Despite a low level of trade, leading Breweries put on a few pence or so. **Bass**, 87p, and **Guinness**, 110p, put on 2 apiece.

Buildings tended to mark time in idle trading. **Taylor Woodrow**, exceptionally, declined 7 to 225p. **Greaves Organisation** eased a penny to 5p on the dividend omission, while **M. P. Kent** edged up a penny to 25p on the preliminary figures. **Rugby Portland** moved up 3 to 49p in front of the interim report which was announced well after hours. **Marley** responded to a Press mention with a rise of 2 to 43p.



ICI were finally 2 up at 307p, after 304p, while **Fisons** rallied 3 to 266p.

Contrasting movements in Television Contractors were provided by **Associated "A,"** 3 better at 58p, and **Anglia "A,"** 2 cheaper at 84p.

Press comment ahead of Thursday's preliminary figures directed attention to **EMI** which improved 5 to 197p, after 198p. **GEC** hardened 3 to 129p as did **Racal Electronics** to 150p. **Thorn Electrical** staged a modest recovery, the "A" finishing 4 up at 170p and the Ordinary closing 6 to the good at 172p. **Brocks** were also wanted and put on 6 to 45p xd. **Cray Electronics**, at 16p, made no apparent response to the preliminary figures, but **Dale Electric** shed a penny at 122p despite the disclosure of sharply higher first half profits. Reflecting the reaction in the dollar premium, **Philips' Lamp** declined 23 to 910p.

After recent weakness on fears about the possible introduction of increased VAT rates, Stores closed little changed on Friday's closing levels, but **British Home** revived with a rise of 4 to 129p. **Marks and Spencer**, 85p, and **Debenhams**, 65p, both closed a penny better. **Burton "A"** managed to hold at 26p despite adverse Press comment. **Peters Stores**, still reflecting the profits setback, shed 2 more to 29p for a two-day loss of 9, but **Currys** managed to finish a penny harder at 75p following the interim figures. **Forminster** were quoted 4 better at 52p ex the scrip issue, while modest gains were also seen in **Austin Reed "A,"** 28p, and **Morris and Blakey Wallpapers**, 25p. Shoes were noteworthy for an improvement of 2 to 52p in **Strong and Fisher** on the preliminary figures and scrip issue proposal.

The rally among leading Engineerings took in **Hawker**, 8 up at 354p, and **GKN**, which recovered 6 to 250p. **Tube Investments**, however, were only 2 better at 282p. **John Brown** also participated in the upturn, gaining 5 to 93p in fair activity, while **Vickers** picked up 3 to 139p. **Davy International** were to the fore at 113p, up 5, **Simon** advanced 4 to 112p and **Weyburn** rebounded 8 further to 294p. Revised opinions about the preliminary results caused **Lake and Elliot** to rally 6 to 48p, thus recouping all of last Friday's loss, and **Percy Lane** were 3 dearer at 30p on the expansion news. Against the trend, **L. Gardner** were lowered 4½ to 108p, **A. Cohen** 5 to 115p and **Record Ridgway** 3 to 39p. **Rotork** were quoted ex the scrip issue at 71p.

Foods were in firmer vein. **Cadbury Schweppes**, a dull market of late on the interim figures, rallied a penny to 37p, while rises of 3 were seen in **Tate and Lyle**, 225p xd, and **Fitch Lovell**, 42p. **Associated Dairies** hardened 2 to 182p following news that the big capital development programme for the next 18 months will go ahead, while substantially improved first-half profits put **J. E. England and Sons (Wellington)** a like amount higher at 26p. Gains of around 3 were seen in **Cullens Stores**, 78p, and **B. Matthews**, 82p xd, but **Associated Biscuit** eased 2 to 64p following news of the company's Japanese venture. Hotels and Caterers were better where changed, **Grand Metropolitan** closing 2 harder at 56p and **Trust Houses Forte** 3 better at 79p.

Glaxo better

The miscellaneous Industrial leaders put on a reasonable showing with gains to 5. **Glaxo**, which lost 22 in last week's shakeout, recovered 5 to 318p ahead of the first-half results expected next Monday. **Turner and Newall** also rallied 5 to 131p, while gains of 4 were seen in **Beecham**, 321p, and **Metal Box**, 229p, the last-named after the setback on last week's news that 2.176m. shares had been placed at 229½p in order to finance acquisitions. **Reed International**, whose interim figures were announced October 24 last year, picked up 3 at 215p. Week-end Press comment had little effect generally, but **British Industrial** responded with a gain of 2 at 40p, and **Elbar** with a rise of 5 at 130p. **Cape Industries** rose 5 to 117p in front of to-day's interim results while, similarly, **Holt Lloyd** hardened a penny to 63½p. **Fairbairn Lawson** were quoted ex-dividend and ex the rights offer at 30p, while the new nil-paid shares closed at 4p premium, after extremes of 5p and 3½p. **Broken Hill Proprietary** were good at 820p xd up 18 while the new nil paid shares gained 15 at 385p *premium*. The same-again dividend offset news of higher profits and left **Change Wares** unaltered at 31p. Elsewhere, **Hanson Trust**, 101p, and **Hay's Wharf**, 48p, both rallied 4.

Motors and Distributors were featured by a rise of 6 to 163p in **Lucas Industries**; the Board has now authorised expenditure of over £100m. for the current investment programme. **Group Lotus** rallied 2 to 24p, while in Garages, **British Car Auction** hardened 1½ to 38½p and **Hanger Investments** edged up 2 to 9p.

Interest remained spasmodic in Newspapers where **Thomson** rallied 4 to 268p. **Marshall Cavendish**, in Publishers, moved up late to 30p, for a rise of 3, on the higher dividend forecast which accompanied the increased first-half profits. **Clyde Paper** eased 1 to 4p, but the Preference jumped 22 to 37p bid following the agreed offers from **J. Bibby**, 2 better at 91p. Principal movement in Paper/Printings was **DRG** which gained 3 more to 94p, while **Jefferson Smurfit** improved 2 to 108p, after 111p, the latter in response to the good interim results and statement. **Bemrose** were raised 3½ to 52p xd.

Properties rally

Properties kept pace with the general recovery although trade was none too brisk. **Land Securities** finally regained 3 to 122p, **MEPC** were similarly dearer at 48p and **Town and City** revived with a gain of 1½ to 7p. Secondary *stocks fared equally as well*, **Chesterfield**, 120p, **Warnford Estates**, 145p, and **Property and Reversionary "A"**, 150p, all rebounding 5. **Apex** rallied 4 to 100p and **Haslemere Estates** improved a like amount to 144p, but **Bernard Sunley** slipped 3 to 90p, after 88p. Press comment aided **Percy Bilton**, which closed 2 better at 140p xd.

Oils were again featureless with **Shell** just 3 better at 379p, after 380p, and **British Petroleum** a shade harder at 613p. **Royal Dutch**, however, reacted 1¼ to £40½, mainly reflecting the fall in the investment dollar premium. **Berry Wiggins** slipped initially to 14p, unsettled still by the interim profits warning and dividend omission, before recovering to 17p for a net loss of only 1. Elsewhere, newspaper mention encouraged support of **LASMO/SCOT** issues, which improved 3 to 250p, while **Weeks Natural Resources Preferred Ordinary**, in Australians, were raised 8 to 78p.

Overseas Traders spent a quiet session, although there remained a fair interest for **Lonrho** new nil-paid shares which closed unaltered at 23p premium; the old *were also unchanged at 69p*. **Australian Agricultural** held at 108p despite news of the return to profitability in the first half-year. **Sime Darby** were 4 easier at 133p.

Movements in Trusts and Financials were usually small and insignificant. **Edinburgh Industrial**, 1½ harder at 4½p, provided a notable exception following a flurry of speculative interest. Overseas issues had **Rolinco** 1¼ points off at £48⅞ and **Robeco** 1¼ points easier at £64¼.

Awaiting *to-morrow's* interim report, **P & O Deferred** saw a reasonable two-way business before closing 3 better at 107p. **Lofs** hardened 1½ to 36½p, but **Sheaf Steam**, still unsettled by Friday's announcement that the talks with Ben Line Steamers may be protracted, reacted afresh to 85p before finishing a net penny easier at 87p.

There were a few movements worthy of note in the Textile sector. **Courtaulds** fluctuated narrowly before closing unaltered on the day at 106p. **David Dixon** were lowered 4 to 25½p in an extremely thin market. **Geo. Spencer** relinquished 2 at 40p compared with the 35p cash bid from Nottingham Manufacturing. In contrast, gains of 2 were recorded in **A. Beckman**, 50p xd, and **A. Martin**, 32p.

A slight increase in activity accompanied an improvement in Tobaccos where **Bats**, 259p, and the Deferred, 209p, both put on 4 and **Imps** hardened 1 to 64p.

Scattered improvements were the order of the day in Plantations. Among Rubbers, **Guthrie** touched 159p before closing 2 to the good at 158p. Similar gains were seen in **London Asiatic**, 57p, and **Pataling**, 55p xd while, in Teas, **Blantyre** firmed 5 at 185p.

Golds ease afresh

South African Gold shares lost ground for the sixth consecutive trading day reflectin gthe continued dullness of the bullion price, which was finally $1.75 lower at $114.375 per ounce, and the further fall in the investment currency premium.

Share prices did little more than drift in idle trading and the Gold Mines index consequently gave up 0.9 to 106.0 for a six-day fall of 13.3.

In the heavyweight issues **Western Holdings** were a half point off at £12, but on the other hand **Randfontein** gained ¼ to £17. Among the marginals **Durban Deep** lost 45 to 235p while in front of the proposed "rights issue" of one-for-one at 60 cents **Sallies** were 5 down at 73p.

Financials put on a mixed performance. **Union Corporation** rose 10 to 225p following a London demand but **Middle Wits.** fell a similar amount to 230p. The London-based stocks beneted from the better trend in U.K. Industrials. **Rio Tinto-Zinc** and **Charter** were both 3 higher at 169p and 123p respectively but the fall in the gold price dampened enthusiasm in **Gold Fields**, which eased a penny to 133p.

Premium influences left Coppers a few pence easier but Platinums hardened. Press comment regarding possible changes of domicile, coupled with the *further rise in the tin price* enabled Tins to improve. **Southern Malayan** advanced 12 to 185p and **Malayan Tin** gained 7 to 230p, while **Gopeng** rose 5 to 215p.

Australians were generally easier despite the marginally firmer overnight trend in Melbourne markets, Sydney being closed for Labour Day. **Bougainville** and **Poseidon** were both off at 130p and 75p respectively. An inquiry into possible insider dealings in the latter company's shares is understood to have begun in Australia.

Elsewhere, Canadian influences left **Yukon Consolidated** 8 better at 144p.

FINANCIAL TIMES STOCK INDICES

—	Oct. 4	Oct. 1	Sept. 30	Sept. 29	Sept. 28	Sept. 27	A Year ago
Government Secs.	59.36	59.13	59.18	59.61	59.61	60.27	58.37
Fixed Interest	58.95	58.97	56.85	59.42	59.42	60.05	59.36
Industrial Ordinary	323.8	317.5	323.5	330.4	336.1	344.6	321.6
Gold Mines	106.0	106.9	108.7	109.5	114.3	115.3	251.6
Ord. Div. Yield	6.96	7.08	6.95	6.80	6.71	6.56	6.46
Earnings Y'ld% (full) (a)	20.55	20.93	20.53	20.10	19.82	19.39	17.74
P/E Ratio (net) (a) (b)	7.18	7.06	7.19	7.34	7.44	7.61	8.01
Dealings marked	4,234	4,669	5,226	5,114	5,203	4,136	6,202
Equity turnover £m.	—	48.44	68.66	60.07	64.90	34.35	50.36
Equity bargains total	—	11,356	12,041	11,369	11,595	9,096	13,706

10 a.m. 319.3. 11 a.m. 324.4. Noon 323.7. 1 p.m. 323.3. 2 p.m. 323.3. 3 p.m. 323.5.
Latest Index 01-246 8026.
(a) Based on 52 per cent. corporation tax. (b) Nil=7.12.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

—	1976 High	1976 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	65.21 (30/1)	59.13 (1/10)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	64.45 (2/2)	58.85 (30/9)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	420.8 (4/5)	317.5 (1/10)	543.6 (19/6/72)	49.4 (26/6/40)
Gold Mines	246.9 (2/1)	78.9 (25/8)	442.3 (22/5/75)	42.5 (26/10/71)

S.E. ACTIVITY

—	Oct. 4	Oct. 1
Daily—		
Gilt-Edged	158.9	189.1
Industrials	139.2	145.2
Speculative	28.9	27.2
Totals	96.4	106.5
5-day Av'rge.		
Gilt-Edged	175.1	181.4
Industrials	158.9	154.8
Speculative	34.4	38.8
Totals	111.3	110.8

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)

	Group	Mon. Oct. 4 Index No.	Day's Change %	Est. Earnings Yield % (Max. Corp. Tax 52%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (Net) Corp. Tax 52%	Est. P/E Ratio (Nil) Corp. Tax 52%	Friday Oct. 1 Index No.	Thurs. Sept. 30 Index No.	Wed. Sept. 29 Index No.	Tues. Sept. 28 Index No.	Year ago (approx.) Index No.	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (179)	120.28	+1.2	21.72	7.74	6.82	6.85	118.83	120.71	124.48	125.59	120.38	160.06	118.83	206.37	50.17
2	Building Materials (30)	107.51	+1.6	21.12	8.90	7.14	7.14	105.86	108.43	111.35	112.91	116.77	150.18	105.86	235.84	44.27
3	Contracting, Construction (23)	158.57	+0.4	26.63	7.02	5.78	5.78	157.73	161.08	170.59	173.77	220.90	260.20	157.73	389.33	71.48
4	Electricals (16)	224.62	+1.1	19.84	5.92	7.31	7.52	222.32	224.46	231.25	231.58	207.77	287.30	222.32	350.04	64.71
5	Engineering (Heavy) (13)	145.51	-3.0	31.65	8.55	4.63	4.56	141.29	143.23	147.51	148.88	147.69	193.18	141.29	202.57	94.43
6	Engineering (General) (64)	111.04	-1.0	21.93	8.25	6.74	6.74	109.99	111.67	114.88	115.68	103.99	149.29	109.99	168.59	45.14
7	Machine and Other Tools (9)	48.89	-0.8	18.42	9.09	7.75	7.75	48.50	48.97	50.16	50.68	40.54	60.63	48.50	136.70	19.96
8	Miscellaneous (24)	107.15	+1.8	19.24	8.28	7.68	7.59	105.50	106.65	109.92	111.64	102.19	141.94	105.30	177.41	49.65
9	CONSUMER GOODS (DURABLE) (53)	99.38	-1.4	25.01	7.02	6.52	6.50	98.00	99.72	103.57	105.09	97.42	141.46	98.00	227.78	58.59
10	Lt. Electronics, Radio TV (15)	106.62	-1.5	32.58	5.46	6.59	6.57	105.04	107.51	112.35	112.87	115.57	160.35	105.04	257.41	42.55
11	Household Goods (13)	129.28	+0.4	22.78	9.24	6.69	6.66	128.76	130.12	134.25	135.32	148.20	187.22	128.76	265.22	63.92
12	Motors and Distributors (25)	64.60	+1.6	23.96	8.44	6.37	6.35	63.56	64.30	66.37	68.45	50.16	85.16	63.56	170.59	19.91
13	CONSUMER GOODS (NON-DURABLE) (169)	123.52	+0.9	18.05	7.81	8.38	8.30	122.26	123.62	136.39	128.09	133.58	162.24	122.26	225.08	64.41
14	Breweries (15)	137.17	+1.0	17.26	8.31	8.68	8.63	135.84	136.81	139.94	142.19	153.95	179.43	135.84	231.67	69.47
15	Wines and Spirits (7)	140.61	+0.8	16.82	7.80	9.13	9.13	139.50	143.52	143.06	144.70	137.57	190.67	139.50	257.40	78.71
16	Entertainment, Catering (14)	147.07	+3.0	16.96	9.07	9.09	9.02	142.78	145.88	149.37	152.57	152.71	211.26	142.78	329.99	57.52
17	Food Manufacturing (23)	137.50	+0.8	20.58	6.64	7.38	7.33	136.45	138.27	140.79	142.43	143.54	179.44	136.45	211.65	59.67
18	Food Retailing (16)	111.44	-1.8	16.49	7.02	8.87	8.87	109.49	110.68	113.46	114.77	138.99	150.05	109.49	255.08	54.25
19	Newspapers, Publishing (16)	160.53	+1.0	14.89	6.50	10.16	10.16	158.87	159.40	163.21	167.13	152.91	184.34	157.01	260.29	55.08
20	Packaging and Paper (12)	86.56	+2.0	17.58	9.07	8.75	8.75	84.90	86.21	87.77	88.58	91.02	112.50	84.90	155.69	43.46
21	Stores (34)	96.55	+0.6	15.78	7.26	9.75	9.75	95.95	96.92	100.61	102.95	116.63	138.24	95.95	204.39	52.63
22	Textiles (23)	124.46	-0.2	15.03	9.27	10.05	8.92	124.76	124.88	127.13	127.62	137.02	183.24	124.46	253.72	62.66
23	Tobaccos (3)	195.57	+0.5	22.41	8.83	6.64	6.64	195.08	196.64	199.21	199.20	184.95	241.39	195.08	359.16	94.34
24	Toys and Games (6)	66.34	+2.0	22.75	9.02	5.89	5.86	65.02	65.14	66.34	66.87	57.98	80.95	59.13	135.72	20.92
	OTHER GROUPS (95)															
25	Chemicals (26)	180.95	+0.7	16.96	6.33	8.03	8.03	179.68	180.72	182.27	182.64	169.97	231.35	179.68	251.38	71.20
26	Office Equipment (9)	76.99	+1.4	15.63	6.84	9.35	9.35	75.90	76.65	79.18	79.73	77.37	103.15	75.90	246.06	45.34
27	Shipping (12)	352.00	+1.0	14.02	7.46	10.15	9.18	348.37	350.56	359.83	363.90	346.86	422.54	342.37	517.00	90.80
28	Miscellaneous (48)	131.33	+0.9	17.52	8.95	8.57	8.56	130.18	130.93	134.05	135.40	137.54	172.92	130.18	258.83	60.39
29	INDUSTRIAL GROUP (496)	127.25	+1.0	18.82	7.58	7.85	7.81	126.03	127.43	130.44	131.76	131.10	165.32	126.03	220.17	59.01
30	OILS (4)	340.41	+0.4	12.51	5.15	9.26	8.52	338.93	338.30	347.73	353.43	304.50	395.84	324.25	431.66	87.23
31	500 SHARE INDEX	144.49	+0.9	17.72	7.16	8.06	7.92	143.24	144.51	148.03	149.71	145.46	183.00	143.24	227.95	63.49
32	FINANCIAL GROUP (100)	106.05	+1.4	—	7.47	—	—	104.67	105.84	109.43	111.17	128.88	153.46	104.67	241.41	55.88
33	Banks (6)	132.07	+1.3	25.61	6.96	6.01	6.01	130.44	130.43	135.31	136.96	153.55	192.16	130.43	288.32	62.44
34	Discount Houses (10)	125.03	-0.9	—	11.06	—	—	126.23	126.52	129.71	132.76	145.50	186.52	125.03	293.18	81.40
35	Hire Purchase (5)	74.62	+2.2	9.70	8.79	22.96	22.96	73.00	75.44	79.12	79.91	89.50	132.10	73.00	435.72	38.83
36	Insurance (Life) (10)	86.57	+1.1	—	8.74	—	—	85.60	86.26	88.80	90.33	111.66	129.46	85.60	194.46	44.88
37	Insurance (Composite) (7)	84.21	+1.5	—	8.80	—	—	83.00	84.60	86.73	88.49	106.43	119.75	83.00	155.76	43.96
38	Insurance Brokers (9)	217.13	+0.9	15.33	5.78	11.23	11.23	215.20	217.69	223.42	223.69	201.23	276.90	206.30	276.90	65.86
39	Merchant Banks (15)	53.05	+1.5	—	10.49	—	—	52.24	52.95	55.23	56.18	83.92	93.83	52.24	278.57	31.21
40	Property (32)	127.86	+2.4	4.75	4.28	38.03	36.17	124.88	128.28	134.27	137.29	158.02	194.57	124.88	367.40	56.01
41	Miscellaneous (6)	66.74	-0.2	21.07	12.47	7.16	7.16	66.87	67.53	68.99	69.27	67.10	91.98	66.74	303.13	33.29
42	Investment Trusts (50)	137.55	+0.5	3.89	5.52	26.54	26.54	136.84	137.58	139.45	140.81	156.66	184.35	136.84	246.79	71.63
43	ALL-SHARE INDEX (650)	135.04	+0.9	—	7.12	—	—	133.77	135.00	138.43	140.09	141.65	172.64	133.77	228.18	61.92
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (9)	474.85	+1.6	9.92	5.91	14.65	13.57	467.17	467.00	468.94	471.12	361.54	523.40	404.67	565.37	84.68
45	Teas (9)	130.59	-0.6	31.01	9.74	4.28	4.17	131.40	131.88	131.88	132.81	105.20	142.43	117.89	142.43	59.72
46	Coppers (3)	196.45	-1.3	32.98	5.70	3.03	3.03	199.11	199.11	201.94	201.94	280.33	301.47	177.60	567.78	94.08
47	Mining Finance (11)	87.53	—	11.91	5.73	9.44	9.37	87.57	87.69	88.77	29.53	100.74	119.77	83.82	175.90	66.31
48	Tins (7)	121.74	+1.6	13.15	8.25	11.67	11.62	119.88	116.95	115.94	116.89	88.28	121.74	86.09	125.45	54.83
49	Overseas Traders (13)	202.40	—	16.57	6.76	8.16	8.16	202.44	202.87	204.40	208.29	200.34	264.47	200.20	254.47	97.37

FIXED INTEREST

		Monday, Oct. 4 Index No.	Monday, Oct. 4 Yield %	Friday Oct. 1	Thurs. Sept. 30	Wed. Sept. 29	Tuesday Sept. 28	Monday Sept. 27	Friday Sept. 24	Thurs. Sept. 23	Year ago (approx.)	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	14.93	14.91	14.90	14.78	14.78	14.66	14.65	14.64	14.93	—	—	—	—
2	20-yr. Govt. Stocks (6)	45.30	†14.29	45.11	45.29	45.81	45.83	46.42	46.48	46.39	47.57	53.43	45.11	115.42	38.27
3	20-yr. Red. Deb. & Loans (15)	46.53	†15.82	46.76	46.72	47.27	47.37	47.56	47.47	47.68	47.27	52.40	46.29	113.43	37.01
4	Investment Trust Prefs. (15)	44.12	15.68	44.42	44.72	45.91	46.32	46.90	46.90	47.05	45.24	51.23	44.12	114.41	34.45
5	Coml. and Indl. Prefs. (20)	60.87	15.78	61.47	61.46	63.02	63.38	64.67	64.54	64.58	62.53	71.97	60.87	114.95	47.67

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00	Food Retailing	29/12/67	114.13
Engineering (Heavy)	31/12/71	153.84	Insurance Brokers	29/12/67	96.67
Engineering (General)	31/12/71	157.81	Mining Finance	29/12/67	100.00
Wines and Spirits	10/1/70	[illegible]	All Other	10/4/62	100.00
Toys and Games	16/1/70	[illegible]			
Office Equipment	16/1/70	[illegible]			
Industrial Group	31/12/70	[illegible]			
Miscellaneous Financial	31/12/70	[illegible]			
Food Manufacturing	29/12/67	[illegible]			

† Redemption yield. FT-Actuaries Indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an ICL 1904 computer.

A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 20p. A record of the indices, cost [illegible], is available from FT Business Enterprises, 10 Bolt Court, London, EC4. It gives all group and sub-section indices as originally calculated since the start of the series in 1962 with quarterly highs and lows. Dividend and earnings figures are also included.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1976 high	1976 low
BATs Defd.	25p	13	209	+4	225	193
ICI	£1	11	307	+2	402	304
Shell Transport	25p	10	379	+3	462	374
BP	£1	9	613	+1	685	557
Rank Org.	25p	9	139	+3	195	136
Burmah Oil	£1	8	33	—	53	30
GKN	£1	8	250	+6	360	242
Marks & Spencer	25p	8	85	+1	108	84
Tate & Lyle	£1	8	225	+3	293	214
Berry Wiggins	25p	7	17	−1	54	14
EMI	50p	7	197	+5	277	192
Lonrho "New"	Nil/pd.	7	23*	—	27*	22*
Lucas Inds.	£1	7	163	+6	222	156
Slater Walker	25p	7	10	+1	31	7½
Allied Brews.	25p	6	56	+½	77	55

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).
* Premium.

Option Report—3-month call Rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Sep. 28	Oct. 11	Dec. 30	Jan. 12
Oct. 12	Oct. 25	Jan. 13	Jan. 25
Oct. 26	Nov. 7	Jan. 27	Feb. 8

"Calls" weer dealt in Premier Consolidated Oil, Beecham, Land Securities, Lonrho, Burmah Oil, Grand Metropolitan, EMI, Thorn Electrical, Marks and Spencer, MEPC, Turner and Newall, Charter Consolidated, F. W. Woolworth, BET, Waring and Gillow, Intereuropean Properties, Fitch Lovell, Laporte, ICI and Empire Stores. "Puts" were done in Marks and Spencer, Plessey, Glaxo and BP, while "doubles" were arranged in ICI, Trafalgar House warrants, Cavenham, Marks and Spencer, Plessey, Courtaulds, EMI, Lofs, Charter Consolidated and Town and City.

Industrials							
A. Brew	6½	[illegible]	17	Midland Bank	[illegible]	Cap. Counties	5
A.P. Cement	15	Fitch Lovell	6	Nat'l West Bank	20	[illegible]	5
Assoc. Leisure	3	Gen. Accident	12	"Do" Warrants	7½	Int. Europe	7
BSR	9	Gen. Electric	13	P&O Dfd.	11	Land Securities	14
Babcocks	8	Glaxo	35	Plessey	7	MEPC	7
Barclays Bank	22	Grand Met.	7	R.H.M.	5	Peachey	6
Berry Wiggins	5	G.U.S. 'A'	16	Rank Org. 'A'	18	Samuel Props.	4½
Beecham	28	Guardian	18	Reed Int'l	25	Town & City	2½
Boots Drug	12	G.K.N.	25	Reyrolle	11	Oils	
Bowaters	16	Hawker Sidd.	35	Rothmans	4	Brit. Petroleum	40
B.A.T.	21	House of Fraser	8	Slater Walker	4	Burmah Oil	4½
[illegible]	[illegible]	I.C.I.	20	Spillers	4	Shell	27
[illegible]	[illegible]	"Imps"	7	Tesco	4	[illegible]	[illegible]

NEW HIGHS AND LOWS FOR 1976

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1976.

NEW HIGHS (8)

FOREIGN BONDS (1)
Antofagasta Rly.
CANADIANS (1)
Toronto Dom. Bank
STORES (1)
Lee Cooper
FOODS (1)
England (J. E.)
INDUSTRIALS (1)
Haslimex
RUBBERS (1)
Golden Hope
TEAS (1)
Longbourne
MINES (1)
Ayer Hitam

NEW LOWS (112)

BANKS (5)
BEERS (2)
BUILDINGS (19)
CINEMAS (1)
DRAPERY & STORES (14)
ELECTRICALS (4)
ENGINEERING (15)
FOODS (3)
INDUSTRIALS (15)
INSURANCE (1)
MOTORS (1)
NEWSPAPERS (1)
PAPER & PRINTING (1)
PROPERTY (3)
SHOES (2)
TEXTILES (3)
TRUSTS (15)
OILS (1)
RUBBERS (1)
MINES (1)

YESTERDAY RISES AND FALLS

	Up	Down	Same
British Funds	52	—	4
Corpns. Dom. and Foreign Bonds	[illegible]	[illegible]	[illegible]
Industrials	[illegible]	[illegible]	[illegible]
Financial and Prop.	[illegible]	[illegible]	[illegible]
Oils	[illegible]	[illegible]	[illegible]
Plantations	[illegible]	[illegible]	[illegible]
Mines	[illegible]	[illegible]	[illegible]
Recent Issues	[illegible]	[illegible]	[illegible]
Totals	[illegible]	[illegible]	1,546

BASE LENDING RATES

- Allied Irish Banks Ltd. 12 %
- American Express Bank 12 %
- Anglo-Portuguese Bank 12 %
- Henry Ansbacher 12½%
- Banco de Bilbao 12 %
- Bank of Cyprus 12½%
- Bank of N.S.W. 12 %
- Banque du Rhone S.A. 12½%
- Barclays Bank 12 %
- Barnett Christie Ltd. 13½%
- Bremar Holdings Ltd. 12 %
- Brit. Bank of Mid. East 12 %
- ■ Brown Shipley 12½%
- Canada Permanent AFI 12 %
- Capitol C & C Fin. Ltd. 13 %
- Cayzer, Bowater Co. Ltd. 12 %
- Cedar Holdings 12½%
- ■ Charterhouse Japhet 12½%
- C. E. Coates 13 %
- Consolidated Credits 12 %
- Co-operative Bank *12 %
- Corinthian Securities 12 %
- Credit Lyonnais 12 %
- G. R. Dawes 13 %
- Duncan Lawrie 12 %
- Eagil Trust 12 %
- English Transcont. 12½%
- First London Secs. 12 %
- ■ Antony Gibbs 12 %
- Goode Durrant Trust 12 %
- Greyhound Guaranty 12 %
- Grindlays Bank ‡12 %
- ■ Guinness Mahon 12 %
- ■ Hambros Bank 12 %
- ■ Hill Samuel §12 %
- C. Hoare & Co. †12 %
- Julian S. Hodge 13 %
- Hongkong & Shanghai 12 %
- Industrial Bank of Scot. 12 %
- Keyser Ullmann 12½%
- Knowsley & Co. Ltd. 13½%
- Lloyds Bank 12 %
- London & European 12½%
- London Mercantile 12½%
- Midland Bank 12 %
- ■ Samuel Montagu 12 %
- ■ Morgan Grenfell 12 %
- National Westminster 12 %
- Northern Comm. Trust 12½%
- Norwich General Trust 12½%
- P. S. Refson & Co. 12 %
- Rossminster Accept'cs. 12 %
- Royal Bk. Canada Trust 12 %
- Schlesinger Limited 12½%
- E. S. Schwab 13½%
- Security Trust Co. Ltd. 13 %
- Shenley Trust 14 %
- Standard Chartered 12 %
- Trade Development Bk. 12 %
- Twentieth Century Bk. 13½%
- United Bank of Kuwait 12 %
- Whiteaway Laidlaw 12½%
- Williams & Glyn's 12 %
- Yorkshire Bank 12 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 9½%, 1-month deposits 9¾%.
† 7-day deposits on sums of £10,000 and under 9½%, up to £25,000 9¾% and over £25,000 9¾%.
§ Demand deposits 9½%.
‡ Call deposits over £1,000 9½%.

MONEY MARKET

Interest rates fall

Bank of England Minimum Lending Rate 13 per cent. (since September 10, 1976)

Short-term interest rates had a weaker tendency in the money market yesterday, and the three-month sterling certificate yield, for instance, fell to 12½-12¼ per cent., from Friday's 12¾-12½ per cent. Modest reductions were common in most sectors of the market, but in some cases, as in those of finance house quotations, there were rises.

Day-to-day credit was in slightly short supply and the Bank of England gave a small amount of assistance, by buying Treasury bills from the Discount houses a little more, it seemed possible, than the underlying situation required. Banks had carried over some surplus balances from Friday, and Government disbursements exceeded revenue transfers to the Exchequer in some degree, but there was a modest net take-up of Treasury bills to be financed by the market, the note circulation rose a little, and a small amount borrowed by two or three Discount houses from the Bank of England on Friday was repaid.

Discount houses paid 11½ per cent. for secured day-to-day loans in the early part, after levels 12-12½ per cent. had been asked in places, but by lunch-time were taking balances at 11¼-11½ per cent., and in the end found money at levels down to 10½ per cent.

In the inter-bank market, overnight loans opened around 12-12½ per cent., fell to 10-10½ per cent. for a time, recovered at one point in the afternoon to 11½ per cent., and in later dealings were at 11-11½ per cent.

The three-month Treasury bill buying rate was raised to 12¼ per cent. from Friday's 12½-12¼ per cent.

Oct. 4 1976	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House deposits	Company deposits	Discount market deposits	Treasury Bills	Eligible Bank Bills	Fine Trade Bills
Overnight	—	10-12½	[illegible]	—	—	—	12-12¼	—	—	—
2 days notice	—	—	[illegible]	—	—	—	—	—	—	—
7 days or	—	—	[illegible]	—	—	—	—	—	—	—
7 days notice	—	[illegible]	[illegible]	—	—	[illegible]	[illegible]	—	—	—
One month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	[illegible]	[illegible]	[illegible]
Nine months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	—	—
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	—	—
Two years	—	—	[illegible]	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. [illegible]

Finance House Base Rates (published by the Finance Houses Association): 12 per cent. from October 1, 1976. Clearing Bank Deposit Rates for small sums at seven days' notice [illegible] per cent. Clearing Bank Base Rate for lending 12 per cent. Treasury Bills: average tender rate of discount [illegible] per cent.

CORAL INDEX
Close 319-324

INSURANCE BASE RATES

- † Atlantic Assurance 12 %
- Cannon Assurance 10 %

† Address shown under Insurance and Property Bond table.

AUTHORISED UNIT TRUSTS

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

REGIONAL MARKETS

A selection of the share prices previously shown under regional headings is presented below with quotations on London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish Exchange.

								IRISH	
...bury Inv. 20p	17	......	Higsons Brew.	48	......	Conv. 9% '80/82	£81¼	......
...h Spinning	34	......	I.O.M. Stm. £1	133	-2	Alliance Gas	51	......
...tham	23	......	Holt (Jos.) 25p	195	-3	Arnott	215	......
...'water. Est. 50p	135	+5	Kleen-e-Ze	29	......	Carroll (P.J.)	106	......
...over Croft	21	......	Lovell's Ship £1	135	......	Clondalkin	41	......
...ig & Rose £1	350	......	N'thn. Goldsmith	25	......	Concrete Prods.	140	......
...son (R.A.)	17	......	P.M.A.	25	......	Helton (Hldgs.)	26	......
...lis & McHdy.	65	......	Pearce (C. H.)	85	......	Ind. News	38	......
...ms Fr'k. 10p.	22	......	Peel Mills	12	......	Ins. Corp.	154	......
...ared	11	......	RobbCaledon£1	53	......	Irish Distillers	40	......
...le Forge	54	......	Sayers 12½p	15	......	Irish Ropes	90	......
...nlay Pkg. 5p	16	......	Sheffield Brick	78	......	Jacob	50	-2
...ig Ship. £1	328	......	Sheff. Refrshmt.	135	......	Sunbeam	12	......
...llen Sleigh 10p	6½	......	Shiloh Spinn.	22	......	T.M.G.	80	......
			Sindall (Wm.)	50	......	Unidare	48	......

S. G. Warburg & Co. Ltd.
20, Gresham Street, EC2. 01-600 4555

Cnv. Bd. Oct. 1	$US8.90	-0.06	—
Engy. Int. Oct. 1	$US13.60	-0.06	—
Gr. St. $ Fd. Sept. 30	$US7.12	......	—

Warburg Invest. Mngt. Jrsy. Ltd.
1 Charing Cross, St. Helier, Jsy. CI. 0534 39041

CMF Ltd. Aug. 25	$US19.46	9.91	......	—
CMT Ltd. Aug. 26	£9.35	9.79	......	—
Metals Tst. Sept. 16	£12.56	12.87	......	—
TMT Sept. 9	$US9.80	10.60	......	—
TMT Ltd. Sept. 9	£10.86	11.15	......	—

World Wide Growth Management
10a, Boulevard Royal, Luxembourg.

WorldWideG.h.Fd.	$US11.84	-0.05	—

NOTES

Prices do not include $ premium, where applicable, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of U.K. taxes. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Net of tax on realised capital gains unless indicated by ф. ¶ Guernsey yield. # Suspended. ‡ Single premium insurance bonds. † Yield before Jersey tax.

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1976 High	Low	Stock	£	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
101½	99½	Treasury 10¼pc 1976‡‡	99½	...	10.55	12.58
98½	95½	Treasury 6¼pc 1977‡‡	97⅝	+1/16	6.41	12.57
97¼	94½	Electric 3pc '74-77	96¼	−⅛	3.10	10.72
103 7/32	92 9/16	Treasury 11½pc '77‡‡	99¼	+1/16	11.59	12.32
95⅛	91⅞	Treasury 3pc '77‡‡	93¼	+⅛	3.22	9.50
95⅝	92¼	Transport 4pc '72-77	93⅝	+⅛	4.27	9.68
99 3/16	90½	Treasury 9pc 1978‡‡	95⅞	+1/16	9.39	12.21
101½	96⅝	Treasury 10½pc '78‡‡	96⅞	−1/16	10.84	12.46
93¼	89⅝	Exchequer 5pc '76-78‡‡	92¾	+¼	5.39	9.08
103 31/32	97 1/16	Treasury 11½pc '79‡‡	97½	+1/16	11.79	12.73
—	—	Treas. 11½pc '79 A‡‡●	98¾	...	11.65	12.12
88⅞	83⅝	Treasury 3pc '79‡‡	85⅜	+⅛	3.51	8.72
89⅛	73⅞	Electric 4¼pc '74-79	85⅝	+¼	4.96	9.95
100 3/32	93⅝	Treasury 10½pc '79‡‡	93⅞	+1/16	11.18	13.01
88¼	83⅝	Electric 3½pc '76-79	84½	+⅛	4.13	9.23
96 3/16	89⅝	Treasury 9pc 1980‡‡	89⅞	+1/16	10.01	12.75
96½	89⅝	Treasury 9½pc '80‡‡	89⅞	+1/16	10.57	13.09
86	81⅞	Treasury 3½pc '77-80	82⅞	+⅛	4.25	9.24
89½	71	Funding 5¼pc '78-80‡‡	84⅜	+⅛	6.22	10.45
103 3/16	94⅝	Treasury 11½pc 1981‡‡	94⅞	+1/16	12.12	13.06
86	79	Treasury 3½pc 1979-81	82⅞	+½	4.22	8.23
95⅝	88½	Treasury 9¾pc 1981‡‡	88½	+¼	11.02	13.23
		Five to Fifteen Years				
94½	85⅞	Treasury 8¼pc '80-82‡‡	86⅛	+¼	10.09	12.66
107¾	95	Treasury 12pc 1983‡‡	95¼	+¼	12.67	13.26
81½	73¼	Funding 5½pc '82-84‡‡	73½	+¼	7.48	11.15
87⅜	76⅝	Treasury 8½pc '84-86‡‡	78⅞	+¼	11.06	12.69
74⅞	63¾	Funding 6½pc '85-87‡‡	64	+¼	10.08	12.71
77⅝	68¼	Treasury 7¾pc '85-88‡‡	69	+¼	11.48	13.39
51¼	45⅝	Transport 3pc '78-88	47	+⅛	6.49	11.43
59¾	50⅝	Treasury 5pc '86-89	50⅞xd	+¼	9.81	12.84
103¾	91⅞	Treasury 13pc 1990‡‡	92¼	+⅜	14.55	14.83
75⅞	67½	Treasury 8¼pc '87-90‡‡	67¾	+½	12.65	14.02
60	50½	Funding 5¾pc '87-91‡‡	50¾xd	+¼	11.33	13.63
		Over Fifteen Years				
100½	87⅝	Treasury 12½pc '92‡‡	88½	+⅜	14.85	15.11
98½	85¼	Treasury 12½pc '93‡‡	86½	+⅜	14.94	15.20
58	48⅛	Funding 6pc 1993‡‡	48⅜	+¼	12.49	14.15
75⅞	66⅛	Treasury 9pc '94‡‡	66⅞	+¼	14.20	14.86
97⅛	95¼	Treasury 14½pc '94‡‡	96	+⅜	15.17	15.23
36½	30⅜	Gas 3pc '90-95	30½xd	−⅛	9.77	12.93
100	87⅞	Treasury 12¾pc '95‡‡	89½	+⅜	15.09	15.24
75⅞	62⅞	Treasury 9pc '92-96‡‡	63⅜	+¼	14.37	14.94
95¾	91⅛	Exchequer 13¾pc '96‡‡	91⅝	+⅜	15.16	15.28
35½	29⅝	Redemption 3pc 1986-96	29⅞	+⅛	10.05	12.80
102½	89	Treasury 13¼pc '97‡‡	90	+⅜	15.18	15.27
70⅛	60⅞	Treasury 8¾pc 1997‡‡	61⅛	+½	14.51	15.00
57⅝	47	Treasury 6¾pc '95-98‡‡	47¾xd	+¼	13.99	14.78
76	65½	Treasury 9½pc 1999‡‡	66⅝	+¼	14.73	15.04
31½	27⅛	Funding 3½pc '99-04	27¼	+⅛	13.23	14.13
65	53¾	Treasury 8pc '02-06‡‡	54xd	+¼	14.81	14.99
46⅛	37⅝	Treasury 5½pc '08-12‡‡	37⅞	+¼	14.67	14.80
60⅞	52¼	Treasury 7¾pc '12-15‡‡	53⅜	+¼	14.94	14.98
		Undated				
30⅜	26⅜	Consols 4pc	26¾	+⅛	15.36	—
27⅞	24⅜	War Loan 3½pc‡‡	25	+⅛	14.71	—
28⅞	24½	Conv. 3½pc '61 Aft.	24⅝	+⅛	14.24	—
23¼	19⅝	Treasury 3pc '66 Aft.	19⅝xd	......	15.28	—
19⅝	16¼	Consols 2½pc	16¾xd	......	14.92	—
19½	16⅛	Treasury 2½pc	16⅛	......	15.53	—

**INTERNATIONAL BANK

1976 High	Low	Stock	£	+ or −	Yield Int.	Red.
75	68½	5pc Stock '77-82	72¼	......	6.98	11.81

**CORPORATION LOANS

1976 High	Low	Stock	£	+ or −	Yield Int.	Red.
89¾	83	Birm'ham 9¾pc '79-81	83¼	+¼	11.11	14.11
98	87½	Bristol 6½pc '75-77	97⅝	....	6.66	13.48
95	89½	Essex 5¼pc '75-77	94¾	+¼	5.80	13.01
96	92⅜	G.L.C. 7¼pc 1977	95¼	+¼	7.61	13.12
102½	93½	Do. 12½pc '82	97¼	....	13.45	14.34
78¾	74¾	Herts. 5½pc '78-80	77⅛	...	6.81	13.36
95½	91⅜	Liverpool 7pc '76-77	94½	..	7.41	13.26
83	79	Do. 9¼pc '80-84	81½	..	12.52	14.63
26	21¾	Do. 3½pc Irred.	21¾xd	......	16.38	—
90	86¼	Lon. Corp. 6½pc '75-78	88¾	...	7.32	13.51
83	74½	Do. 9¼pc '84-85	75xd	....	12.30	14.22
92	87⅞	L.C.C. 6pc '75-78	91	....	6.59	13.40
75½	69¾	Do. 5½pc '77-81	72¼	+¼	7.61	13.30
67½	60½	Do. 5½pc '82-84	61½	..	9.11	14.00
59	52½	Do. 5½pc '85-87	52½	..	10.70	14.61
60½	50½	Do. 6¾pc '88-90	53¼	....	13.04	15.18
22½	19	Do. 3pc '20 Aft.	19½	....	15.86	—
93¼	90	Middx. 6¼pc '75-77	92½	....	6.76	13.32
79½	74½	Do. 5¼pc 1980	78¼	....	6.72	13.27
90½	85½	Newcastle 9¾pc '78-80	86½	....	10.69	13.78
101½	96	Warwick 12½% 1980	98	−½	12.76	13.08

COMMONWEALTH & AFRICAN LOANS

1976 High	Low	Stock	£	+ or −	Yield Int.	Red.
91	85½	**Aust. 5½pc '75-78	86¼xd	...	6.37	13.50
82¼	77⅝	**Do. 5½pc '77-80	80¼	....	6.96	13.71
74¼	68¾	**Do. 5½pc '81-82	69xd	+¼	7.96	13.67
86⅞	83¼	**N.Z. 4pc 1976-78	85¼	....	4.75	12.49
83⅝	80	**Do. 6pc '76-80	80¼	....	7.53	13.59
74	67½	**Do. 7½pc '83-86	67¾	....	11.43	14.10
65	22	Sth. Rhod. 2½pc '65-70	52	....	—	—
62	34	Do. 6pc '78-81	60	......	—	—

LOANS (Miscel.)

1976 High	Low	Stock	£	+ or −	Yield Int.	Red.
81⅛	42½	Agric. Mt. 5pc '59-69	46	......	11.16	14.69
[illegible]						

FOREIGN BONDS & RAILS

[illegible]

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

[illegible]

S.E. List Premium 47¼% (based on $US1.6250 per £)

Conversion factor 0.6794 (0.6711)

CANADIANS

1976 High	Low	Stock	£	+ or −	Div. Gross	C'vr	Y'ld Gr's
14¼	10⅛	Bk. Montreal $2	14¼	... ...	$1.00	—	4.0
40½	29⅛	Bk. Nova Scot. $2	39⅛	−⅛	$1.72	—	2.5
46¾	33¼	Bell Canada 25c	45¼	+¼	$3.72	—	4.7
23⅝	12	Bow Valley‖	18⅝	−⅛	10c	—	0.3
10	780p	Brascan‖	950p	−20	s$1.00	—	6.0
29⅛	19⅛	Can. Imp. Bk. $2	24	−⅛	$1.28	—	3.0
16⅞	10⅜	Can. Pacific $5	15½	−⅛	84½c	—	3.2
29⅝	26½	Do. 4pc Deb. £100	27⅜	+⅛	4%	—	14.6
37⅜	21¼	Gulf Oil Can.‖	22⅞	−⅛	$1.00	—	2.5
670p	450p	Hawker Sid. Can.‖	475p	−15	36c	—	4.2
33	22	Hollinger $5	28½	−½	$1.80	—	3.6
18	12⅜	Hudson's Bay‖	15½xd	...	60c	—	2.2
34⅜	26⅜	Hud. B. Oil G. $2½	29¼	.. ...	$1.60	—	3.1
22¼	16½	Imperial Oil‖	19⅛	−⅛	26.8	—	2.4
31½	19½	Inco	29	−¾	$1.40	—	2.8
900p	660p	Int. Nat. Gas $1	875p	−5	80c	—	5.2
25½	16	Massey Ferg.‖	19¼	−¼	$1.00	—	2.9
27⅝	20¼	Pacific Pet. $1	22⅞	−⅛	80c	—	2.0
38½p	24p	Place Gas $1	31p	....	—	—	—
30¼	22⅝	Rio Algom	29¼	−½	$1.00	—	1.9
27¼	20⅜	Royal Bk. Can. $2	25⅞	−⅛	$1.28	—	2.8
28⅛	17⅛	Seagram Co. C$1	22⅛	−⅛	80c	—	2.0
18⅛	13⅛	Tor. Dom. Bk. $1	18⅛	+1	70c	—	2.1
11⅞	830p	Trans. Can. Pipe $3½c	11½	.....	88c	—	0.0
790p	650p	White Pass	650p	...	♦35c	—	3.1

S.E. List Premium 47¼% (based on $1.6289 per £)

BANKS AND HIRE PURCHASE

1976 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
390	251	ANZ $A1	375	−3	†Q24c	—	4.1	—
250	160	Alexanders D. £1	160	.....	11.67	—	11.2	—
£110	£80	Algemene Fl.100	£96	−½	†Q21%	2.6	4.7	9.9
490	310	Allen Harvey £1	310	......	25.0	—	12.4	—
128	84	Allied Irish	86	......	Q6.89	—	8.0	—
[illegible]								

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

BUILDING INDUSTRY—Continued

[illegible]

CHEMICALS, PLASTICS

[illegible]

CINEMAS, THEATRES AND TV

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES—Continued

[illegible]

ELECTRICAL AND RADIO

[illegible]

ENGINEERING, MACHINE TOOLS

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

TRUSTS—Continued

[illegible]

Finance, Land, etc.

[illegible]

OILS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

MINES—Continued

FAR WEST RAND

1976 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
710	250	Blyvoor 25	330	......	Q75c	ϕ	14.7
£14	440	Buffels R1	535	+5	Q125c	ϕ	15.1
198	70	Deelkraal R0.20	103	−1	—	—	—
760	125	Doornfontein R1	235	−5	Q55c	2.2	15.1
965	330	East Drie R1	485	−5	Q75c	1.7	10.0
280	122	Elandsrand Gld. 20c	150	−5	—	—	
190	44	Elsburg R1	70	......	†Q33.8c	1.0	‡
£16½	520	Hartebeest R1	737	−13	Q190c	ϕ	18.9
695	260	Kloof Gold R1	330	......	Q47c	1.5	9.2
760	140	Libanon R1	260	......	Q80c	2.0	19.9
740	230	Southvaal 50c	310	−5	Q8c	1.3	1.7
245	92	Stilfontein 50c	135	+3	‡Q36c	2.2	‡
£20¼	700	Vaal Reefs 50c	887	......	‡Q175c	2.1	‡
420	48	Venterspost R1	134	......	Q25c	3.6	12.1
£35	£11¼	W. Drie R1	£15½	......	Q335c	1.5	14.0
315	68	Western Areas R1	116	−4	‡Q52c	1.4	‡
£15¼	480	Western Deep R2	635	+5	‡Q107½c	1.6	‡
290	100	Zandpan R1	132	......	Q31¼c	1.8	15.3

O.F.S.

1976 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
170	60	Free State Dev. 50c	75	......	Q9c	0.6	7.8
£22½	715	F.S. Geduld 50c	900	......	Q200c	ϕ	1.4
200	50	F.S. Saaiplaas R1	94	−4	Z6c	2.6	4.1
465	170	Harmony 50c	215	......	‡Q65c	1.9	‡
195	38	Loraine R1	72	......	Q6c	0.5	5.4
£18½	675	Pres. Brand 50c	825	−12	Q170c	ϕ	1.3
£13	395	Pres. Steyn 50c	480	−15	Q45c	ϕ	6.1
£23⅛	750	St. Helena R1	860	......	Q170c	ϕ	12.9
174	70	Unisel	96	+1	—	—	—
330	140	Welkom 50c	150	−5	Q15c	ϕ	‡
£25½	950	W. Holdings 50c	£12	−½	Q310c	ϕ	0.2

FINANCE

1976 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
535	315	Ang. Am. Coal 50c	400	−10	MQ38c	2.8	6.1
375	185	Ang. Amer. 10c	235xd	+2	Q33c	1.9	9.3
£28¾	£10½	Ang. Am. Gold R1	£12½	−⅛	‡Q260c	1.3	‡
£13¼	850	Ang-Vaal 50c	900	......	Q105c	ϕ	7.7
199	114	Charter Cons	123	+3	6.76	2.4	8.4
220	128	Cons. Gold Fields	133	−1	g7.37	4.3	8.5
23½	13	East Rand Con. 10p	16½	+½	1.0	ϕ	9.3
330	150	Geduld Inv. R1	200	−10	Q40c	1.5	12.9
£25	£12¾	Gen. Mining R2	£14¾	......	Q210c	2.1	9.2
£20⅝	675	Gold Fields S.A. 25c	850	......	Q155c	1.2	11.8
£24	£11½	Jo'burg Cons. R2	£14½	−¼	Q170c	ϕ	7.6
380	200	Middle Wit 25c	239	−10	Q35c	1.2	7.9
250	168	Minorco SBD1.40	200	−2	Q2c	0.7	0.6
160	56	New Wit 50c	75	+1	Q18c	1.0	15.5
£14⅝	770	Patino NV Fls.5	£13	......	QC65c	0.8	2.8
810	310	Rand Selection 50c	380	......	‡Q75c	1.5	‡
543	385	Selection Trust	385	......	15.2	1.5	6.1
230	98	Sentrust 10c	130	......	Q30c	1.4	14.9
66	38	Silvermines 2½p	38	−1	Q4.61	1.6	12.6
175	95	SW Africa 20p	175	......	†17.87	2.0	15.7
£12½	700	T'vaal Cons. Ld. R1	£10¼	+½	Q65c	2.0	0.0
310	110	U.C. Invest R1	128	+3	‡Q36c	1.0	‡
465	175	Union Corpn. 6.25c	225	+10	tQ36c	1.4	10.4
90	45	Vogels 2½c	73	......	†Q6½c	1.2	5.8

DIAMOND AND PLATINUM

1976 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
£32½	£17½	Anglo-Am. Inv. 50c	£21½	......	†Q244c	1.6	7.4
122	68	Bishopsgate Plt. 10c	92	−2	Q8.0c	ϕ	5.6
335	187	De Beers Df. 5c	212	......	Q28c	2.2	8.5
£14	850	Do. 40pc Pf. R5	975	......	Q200c	ϕ	13.2
128	69	Lydenburg 12½c	88	+3	Q7.2c	ϕ	5.4
123	107	Rus. Plat. 10c	117	+3	gQ5c	—	2.8

CENTRAL AFRICAN

1976 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
165	53	Coronation 25c	78	......	‡Q34c	2.1	‡
130	68	Falcon Rh. 50c	86	+1	Q35c	ϕ	—
25	9	Rhod'n Corp. 16⅔p	19	......	0.56	6.0	4.5
195	120	Roan Cons. K4	160	+5	—	—	—
178	140	Tanganyika 50p	168	......	Q10.0	0.8	6.0
70	65	Do. Pref. 80p	70	......	Q9	10.2	10.7
54	25	Wankie Col. Rh.1	44xd	+2	Q7½c	ϕ	11.0
46	24	Zam. Cpr. SBD0.24	25	−1	—	—	—

AUSTRALIAN

1976 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
33	18	Acmex 25c	25	......	—	—	—
323	132	A. M. and S. 50c	312	−3	ϕ†Q7c	ϕ	1.4
165	96	Bougainville 50c	130	−5	Q10c	ϕ	5.0
235	145	BH South 50c	198	......	—	—	—
75	15	G.M. Kalgoorlie $1	20	......	—	—	—
106	58	Hamptn Areas 5p	103	−2	1.3	3.1	1.9
86	38	Metals Ex. 50c	62	......	—	—	—
20	12	Metramar 20c	17	......	—	—	—
294	200	M.I.M. Hldgs. 50c	249xd	−2	Q4½c	ϕ	1.2
105	60	Mount Lyell 25c	62	......	—	—	—
3	2	Newmetal 10c	2½	......	—	—	—
226	138	North B. Hill $1	222	......	Q9c	ϕ	2.6
9	5	Nth. Kalgurli	8½	......	—	—	—
112	65	Oakbridge $A1	110	......	Q9c	ϕ	5.4
36	14	Pacific Copper 25c	26	−1	—	—	—
£19½	725	Pancont'l 25c	£13¼	+¼	—	—	—
17	9	Paringa M&Ex. 5p	12½	......	—	—	—
615	430	Peko-Wallsend 50c	590	......	Q15c	ϕ	1.6
300	60	Poseidon 20c	75	−5	—	—	—
13	9	Vultan Min. 50c	10	......	—	—	—
9	4	Westmex 10c	8	......	—	—	—
*199	127	Westn. Mining 50c	179	−3	Q5c	ϕ	1.8
75	36	Whim Creek 20c	65	+5	—	—	—

TINS

1976 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
45	28	Amal. Nigeria	32	......	5.62	1.6	27.0
307	160	Ayer Hitam	307	+4	23.0	ϕ	11.5
31	17	Beralt Tin	29	+½	1.75	2.8	9.3
415	315	Berjuntai $M25	405	......	Q$M1.5	ϕ	8.3
18	12	Ex Lands 10p	12	......	1.0	1.7	12.8
265	155	Geevor	230	+5	5.0	ϕ	3.3
14	6	Gold & Base 12½p	9	......	—	—	—
250	170	Gopeng Cons.	215	+5	‡11.0	1.3	‡
80	64	Hongkong	70	......	—	—	—
70	56	Idris 10p	63	......	7.15	1.5	18.3
7½	6	Jantar 12½p	6	......	—	—	—
42	31	Kamunting 15p	39	+1	‡7.0	1.2	‡
250	135	Killinghall	250	......	Q50.0	1.2	20.0
230	168	Malay Dredging	230	+7	10.7	2.0	7.2
38	20	ΔPahang	27#	......	‡Qh2.6	ϕ	‡
55	40	Pengkalen 10p	50	......	‡7.0	1.5	‡
130	104	Petaling $M1	130	+2	Q12½c	—	2.2
46	19	Saint Piran	32	......	1.25	2.5	6.0
100	64	South Kinta (10p)	93xd	+3	7.5	ϕ	12.4
193	105	Sthn. Malayan	185	+12	10.7	0.9	8.9
45	31	Sungei Besi 20p	39	+1	—	—	—
42	29	Sungei Way $M1	42	......	ZQ10	—	5.4
48	40	Tanjong 15p	43	......	4.0	0.9	16.6
52	40	Tongkah Hrbr. $M1	40	......	‡Q23%	0.6	14.4
110	58	Tronoh	103	+1	†4.29	2.0	6.4

COPPER

1976 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
85	35	Botswana RST R2	53	−1	—	—	—
335	170	Messina R0.50	200	−5	†Q35c	1.9	11.3

MISCELLANEOUS

1976 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
10	8	Burma Mines 17½p	8½	......	0.1	ϕ	2.0
*35½	18	Charterhall 5p	18	−½	—	—	—
990	580	Cons. Murch. 10c	650	......	†Q80c	1.8	8.0
350	245	Northgate C$1	335	−5	—	—	—
239	153	R.T.Z.	169	+3	g5.96	2.1	5.5
112	77	Sabina Inds. C$1	77	−3	—	—	—
£15⅞	£10	Tara Exptn. $1	£13¾	......	—	—	—
45	32½	Tehidy Minerals 10p	40xd	+½	†h1.08	ϕ	4.2
145	84	Yukon Cons. C$1	144	+6	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ■ "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Based on 1973 profits.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♣ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1976-77. K Figures based on prospectus or other official estimates for 1976-77. M Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

"Recent Issues" and "Rights" Page 32

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £325 per annum for each security

FINANCIAL TIMES
Tuesday October 5 1976

Welders' strike halts output of new Cortinas

BY ALAN PIKE, LABOUR STAFF

PRODUCTION of Ford's Cortina IV was at a virtual standstill yesterday, less than a week after the official launch of the new car as another strike—this time by four welders—hit the company's Dagenham plant.

Yesterday's trouble, on top of a strike which had already halted Cortina production on the night shift, led to the company telling 1,500 day shift workers not to report this morning.

Ford had 15,000 orders for the new model before it was announced and has received thousands more during the past week. The company yesterday described the situation as "catastrophic."

Production of 600 Cortinas a day with a showroom value of more than £1.2m. is now being lost.

The new stoppage involves four day shift plasma-welders who stopped work in support of a claim that they should go into a higher pay grade. Ford says they are already one grade ahead of most production workers.

The welders' claim has been investigated under the company's procedure for examining grading grievances. This concluded that they were in the corect grade. An alternative claim by the strikers that they should have more men on their section has been rejected by the company.

Union officials who had gone to Dagenham for talks on the night shift strike concentrated trying to resolve the new walkout. A fresh meeting on the night shift strike is possible to-day, prior to a mass meeting of instead, but without success, on the strikers to-morrow.

The developments yesterday mean that Ford now has three separate disputes to settle before production of the new Cortina can return to normal. These are:

1—The welders' action;

2—A stoppage by 12 night shift door setters who refuse to use new aligning equipment which they say is unsafe; and

3—The strike by 1,000 other night shift workers who want full payment for the night they were laid off because of the door setters' walkout, plus a guarantee against future lay-offs.

When the disputes are settled, Ford proposes to call before disciplinary hearings 22 men alleged to have been involved in causing damage to company property after the night shift was sent home last Tuesday.

● British Leyland had a difficult day at its Castle Bromwich body works and SU Carburettor factory in Birmingham yesterday, although prospects for to-day look more hopeful. The two plants are next door to each other.

At Castle Bromwich, production was severely disrupted because of sanctions by electricians who claim that they, and not members of the Transport and General Workers' Union, should man a new control room. After a day of talks, the electricians, members of the Electrical and Plumbing Trades Union, agreed to withdraw their sanctions

Work at the SU factory halted when 650 production workers walked out demanding payment for 1½ days last week when they were laid off because of action by electricians in support of their colleagues at Castle Bromwich. They are expected to return to-day.

U.S. takes hard line over poor countries

BY REGINALD DALE MANILA, Oct. 5.

MR. WILLIAM SIMON, U.S. Secretary of the Treasury, to-day took a hard line on all the major financial demands of the world's poorest countries, in a speech which is bound to cause considerable resentment among Third World Governments.

Speaking on the second day of the week-long annual meeting here of the International Monetary Fund and the World Bank, Mr. Simon appeared to be resisting the developing countries' request for an increase in the Bank's capital and an immediate injection of additional funds into the International Development Association, to increase the flow of resources to the Third World.

The tough U.S. attitude underlined the divisions among the Western nations, most of whom, apart from Germany, are now ready to go much further to meet the developing countries. Canada, on behalf of the Commonwealth, Japan and the Netherlands, have all called for a substantial increase in IDA funds, due to run out at the end of next June, in their speeches here.

In a firm defence of the free market system, Mr. Simon also rejected the wider demands of the developing countries for generalised debt re-scheduling, new funds to finance world trade in raw materials and the indexation of oil and raw materials prices to those of manufactured goods.

In a brief aside, he warned against any further increase in oil prices as "dangerous step," given the size of deficits it would create in the industrialised countries and the oil-importing developing nations.

Recognising the urgency of replenishing the main source of financial aid for the world's poorest countries, Mr. Simon suggested that negotiations should start not later than January for a bridging arrangement to ensure that funds did not dry up in July. This should be discussed at the meeting of IDA donor countries in Kyoto, Japan, next week, he said.

Delegates from developing countries here, however, suspect that Washington only intends to propose a temporary extension of existing IDA funding, at a rate of $1.5bn. a year, rather than the $3bn. they are seeking. The unveiling of such a proposal here, which delegates have described as "very reactionary," could have led to a major row.

The second suspicion among the Third World countries is that the U.S. may be intending to bargain an increase in the World Bank's capital against acceptance of its own proposal for an International Resources Bank, officially launched by Dr. Henry Kissinger, Secretary of State, at the Nairobi UNCTAD meeting in May.

Although the UNCTAD meeting voted down the IRB proposal, the U.S. has still not given up hope and, in fact, secured agreement from the joint Fund-Bank development committee here two days ago to give the plan further study. Many developing countries are hostile to the IRB, designed to promote and guarantee private investments in the Third World, which they regard as "capitalistic."

Another fear here is that the U.S. is trying to insert the IRB into the World Bank framework, thus reducing the Bank's capabilities for increasing traditional lending. Mr. Simon did little to dispel such suspicions, referring cryptically to the need to work out "significant new directions of Bank activity." Development assistance should not be thought of as an "international welfare programme," he added.

Editorial Comment, Page 16

THE LEX COLUMN

Margins squeezed at Rugby

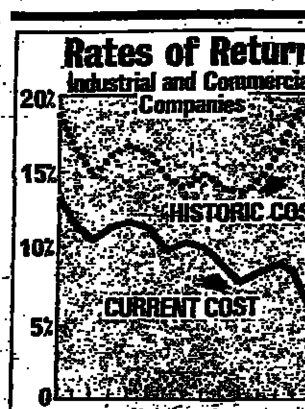
Rugby Portland's cement deliveries for the first half of 1976 are down 4 per cent. by volume, against a drop of 5½ per cent. from the industry and nearly 7 per cent. at Associated Portland. But the profits comparison is not so favourable—the half-year rise is just £216,000 to £5.57m. pre-tax—so a rise of 3p in the shares to 49p ahead of yesterday's late annoucement could look out of place. After all Friday's publication of the Australian subsidiary's results translated into a sterling gain of around £¼m., and steel reinforcement in the U.K. has only slipped marginally. So cement margins must be under pressure.

By the end of August cement deliveries were still showing volume declines of 4 per cent., but Rugby does not expect to outperform the industry very much over 1976 as a whole. There are compensations in that the latest price rise (6 per cent. from November) is bigger than the previous two rises put together, and the next round early in the new year is likely to be just as favourable. But Rugby (along with Associated) will be running into higher fuel costs in 1977 as it renegotiates its coal contracts with the NCB; and demand is not expected to show signs of stabilising until 1978.

Rugby is projecting a profits rise for 1976, but it does not have the overseas cushions that are currently supporting Associated. Having virtually halved in price up to June this year, the shares have been a very steady market lately; the prospective yield is 10 per cent. and will be solidly covered.

See also Page 30

Index rose 6.3 to 323.8



Lucas

Lucas has been subjected to a good deal of trade union criticism for its concentration in recent years on expansion overseas, so there are clear political overtones to the announcement of its £101m. investment programme for the current financial year ending next July. Emphasis is given to the fact that £80m. is to be spent in the U.K. against £20m. on overseas facilities. In fact the total is swollen by the inclusion of £40m. in respect of various revenue and maintenance items. These are written off against revenue and have not previously been disclosed in the accounts. Nevertheless, there is a substantial rise in the underlying level of fixed capital spending. For comparison, this was £26m. in 1974-75, rose to probably just over £40m. last year and is projected at £61m. for 1976-77.

At the time of the £42m. rights issue in April Lucas made clear that an increase in spending was planned. Yet there must be considerable optimism about cash flow trends for the group to go ahead on this scale. In the four years up to 1975 Lucas spent £77m. on new plant and put £47m. into working capital against aggregate net cash flow of £86m. It now looks as though net cash flow — not including deferred tax — will be well over £40m. in the current year alone. Including deferred tax, therefore, the group may hope to finance the great bulk of the capital spent internally, but working capital requirements could take a sizeable bite out of the rights money.

Currys

The recovery in consumer durable spending continues apace. Yesterday's final retail sales figures for August show that consumer durable sales in volume terms rose 5 per cent. in the June-August period over the previous three months, against 1 per cent. for retail sales generally, while over 12 months the growth rates were 15 per cent. and 2.7 per cent. respectively.

Though pre-tax profits were down 17 per cent. at £3.7m., yesterday's interim profit statement from Currys also confirms the more buoyant trend in consumer durable spending. In fact, if the volatile movements in credit trading profit provisions are left out, profits at the trading level rose 23 per cent. over the six-month ... Gross margins are ... improve (admittedly ... low levels) and there ... of possible shortages in ... durable goods appear ... the next few months ... the Chancellor does not ... another swingeing increase ... VAT, tighten HP curbs ... duce stringent import ... Currys believes that it ... able to beat last year's ... £8.1m.—and that is ... ing anything for ... acquisition of 77 shops ... Loyds Retailers. This ... selling space by almost ...

See also Page ...

EMI/Nuclear Enterprises

EMI's £6½m. ... Nuclear Enterprises ... burgh — which pushes ... ing up from 28.8 to 90 ... — takes it into an ... medical instrumentation ... is complementary to ... scanner operation and ... claims similarly ... growth rates. The U.S. ... for ultrasound equipment ... expected to be worth ... $100m. this year, and is ... be growing at an annual ... of 60 per cent.

NE's ultrasound sales ... only amount to about £4m ... year to next April, compared with an annual rate of ... £70m. or more for EMI's ... equipment division. However ... sales are doubling annually ... EMI will be able to take ... the U.S. market where ... of its three main international competitors are based and ... it is too small to tackle ... own. EMI currently has ... 400 employees in the U.S. ... which roughly 150 are in ... field, and its sales of medical equipment in North America ... this year could amount to ... NE should make over £... 1976-77 and is not saddled ... any great debt burden, ... price does not seem to reflect ... much of a premium for ... technology glamour.

Rate of return

The Department of Industry has produced updated estimates for the rate of return on capital employed for non-financial companies, showing a continuing downwards trend. In 1975 ... return, derived from national accounts data, was 3.9 per cent. This is after deducting ... appreciation and taking ... at replacement cost. ... Sandilands, however this ... interest calculation.

Christian Democrats still hope to form coalition

BY NICHOLAS COLCHESTER AND ADRIAN DICKS IN BONN OCTOBER 4.

HERR HELMUT KOHL, chairman of the West German Christian Democrats, refused to-day to accept his party's narrow failure to secure a Parliamentary majority as a defeat, and pressed his claim to be allowed to attempt to form a new coalition Government with the liberal Free Democrats.

Nevertheless, the assumption in Bonn to-day remained that Herr Helmut Schmidt, leader of the Social Democrats, would form the next Government on the basis of a coalition with the Free Democrats.

Herr Kohl told newsmen that the CDU's position as the strongest group in the newly elected Bundestag, and winner of 48.6 per cent. of the popular vote, gave it a clear right to take the initiative.

This morning Herr Kohl sent a letter to Herr Hans-Dietrich Genscher, leader of the Free Democrats, offering to discuss the terms of a CDU-FDP coalition.

Herr Genscher has stressed that his party will continue in coalition with the Social Democrats. His party meets to-morrow to discuss the post-election situation.

Meeting

This afternoon the CDU leader was received by Herr Walter Scheel, the Federal President, after asking for the meeting. Herr Scheel has the constitutional duty of proposing to the Bundestag a Chancellor capable of winning an absolute majority.

The Bundestag will vote on his proposal on December 14. Until then the existing Bundestag and the existing Government remain in office.

Herr Kohl gave no details of his talk with Herr Scheel. But in describing his approach to the Free Democrats he carefully gave the impression that he might already have made contact with others in the FDP besides Herr Genscher—though he refused to mention any names.

It seems that the CDU is counting on heart-searching within the FDP's ranks as a result of the surprising reverse that the Liberals suffered at the polls yesterday.

Although the Schmidt Government is firmly convinced that it will continue, it is clear from comment in Bonn that the political atmosphere will have changed markedly by yesterday's close-run election.

West Germany will now be ruled by two minority parties — the SPD with 42.6 per cent. of the vote and the FDP with 7.9 per cent.—and in the face of the largest party the CDU/CSU with 48.6 per cent. This has never proved a lasting basis of Government in the country's post-war history.

It is thought that Herr Schmidt will now have to devote much more attention to internal political considerations. Over the last two years he has been able to play the international statesman confident of political support at home.

From now on maintenance of that support will require a political balancing act.

Last night's result was demoralising for the Social Democrats. They ran the campaign stressing their middle of the road Chancellor and suppressing their left. They must now ask themselves whether this experiment should continue.

Tho Social Democrats suffered particularly badly in southern Germany — in Bavaria and in Baden Wurttemberg—partly as a result of a very poor showing in the city of Munich, the CSU, Bavarian sister party of the CDU, was able to increase its share of the vote by 5 per cent. to 60 per cent.

Nearby, Baden Wurttemberg produced the best showing for the CDU ever, with 54.3 per cent. In Hessen, too, the SPD suffered losses but not as badly as had been predicted.

The election has thus increased the social-conservative polarisation between North and South that has always existed in Germany. The state of North Rhine Westphalia, including the Ruhr area, proved to be a defender of the Social Democrat cause.

The SPD lost some ground there but their showing was better than in the state election last year. The strong showing in the southern states for the CDU, on the other hand, will bestow still more influence on Franz Josef Strauss and other MPs from that area and increase the weight of the Right-wing within the CDU.

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ELECTION RESULTS

	1972 Percentage vote	1972 Seats	1976 Percentage vote	1976 Seats
Christian Democrats	44.8	225	48.6	244
Social Democrats	45.9	230	42.6	213
Free Democrats	8.4	41	7.9	39
Total Seats		496		496

The two coalition parties, Social Democrats and Free Democrats, together received 50.5 per cent. of the 37,697,630 votes cast. Their percentage vote four years ago was 54.3 per cent. Their number of seats fell from 271 to 252 giving them an overall majority of eight seats compared with 46 seats in 1972.

Smith meets U.K. and U.S. envoys

BY OUR OWN CORRESPONDENT SALISBURY, Oct. 4

MR. TED ROWLANDS and Mr. William Schaufele, the British and U.S. envoys in southern Africa, met Mr. Ian Smith, the Rhodesian Prime Minister today in the last stage of their bid to organise a conference attended by black and white Rhodesians to establish an interim Government with a majority of African Ministers.

The two later met representatives of business, the Opposition Centre Party and Rhodesia Party, and the key Nationalist leaders inside Rhodesia, Mr. Joshua Nkomo and Bishop Abel Muzorewa.

Neither Mr. Rowlands, Minister of State at the Foreign Office, nor Mr. Schaufele, U.S. Assistant Secretary of State for African Affairs, has commented on the substance of their talks in the past few days in Botswana, Mozambique, Tanzania, Zambia and South Africa.

It is clear there are two key issues they must resolve before the Government can announce a date and place for a meeting.

The first is whether the divided Nationalists can field a delegation to negotiate with sufficient unity of purpose with the whites.

The second key issue is whether there is enough agreement on a common negotiating base for these talks, to be held under the chairmanship of Mr. Ivor Richard, Britain's Permanent Representative at the UN.

Mr. Rowlands and Mr. Schaufele fly to Pretoria to-night before returning to London on Tuesday.

The expected meeting between Bishop Muzorewa and Mr. Nkomo, who head rival factions of the African National Council, failed to take place to-day. Mr. Nkomo said he had been told the Bishop was "busy" and it would be at least two or three days before a meeting could take place.

This apparent snub follows the Bishop's tumultuous reception yesterday on his return to Salisbury after 14 months. This established him as a leading candidate to head any interim Government.

Mr. Nkomo announced that he was flying to-morrow via Zambia to Maputo, Mozambique, to meet Mr. Robert Mugabe, the Nationalist leader whose strength lies in his close links with the guerillas.

● Nigeria has rejected the Anglo-American proposals for settlement of the Rhodesia crisis. The Government said the proposals "failed to satisfy the most basic democratic principles" and were unacceptable.

EMI takes over instrument company

BY RAY PERMAN, SCOTTISH CORRESPONDENT

EMI, the music, leisure and medical technology group, is to buy a 90 per cent. holding in the Edinburgh instrument company Nuclear Enterprises, the two companies announced yesterday.

The aim of the takover is to sell Nuclear Enterprises successful ultrasonic medical diagnosis equipment in the U.S., where a market of $100m. is forecast for the coming year.

Ultrasonics can be used to investigate disease inside a patient in circumstances where it might be more risky to use X-Rays.

Nuclear Enterprises has developed one of the most advanced instruments available using ultrasonics, specifically for investigating kidney troubles such as stones.

Although it has about 20 per cent. of all sales of ultrasonics outside the U.S., Nuclear Enterprises — with a heavy self-financed research and development commitment — has not been able to afford the sales and service back up necessary to break into the U.S. market, whereas EMI already has a force of 560 people there selling its EMI-Scanner X-Ray equipment and other products.

The group owns 28.8 per cent. of the Edinburgh company through a series of mergers in 1967, encouraged by the Industrial Reorganisation Corporation, which bought a 5 per cent. holding for the Government by investing £600,000.

By buying out the family holding of Dr. Robert Pringle, who founded the company in 1956, of his brother Dr. Derek Pringle, and the 5 per cent. holding of the Royal Bank of Scotland Development Company, EMI is increasing its share by 61 per cent. at a cost of £6.5m. in cash, loan notes and EMI Ordinary shares.

Nuclear Enterprises' results for 1975-76 showed a pre-tax profit of £1.25m. on sales of £7.6m.

Dr. Derek Pringle, who becomes managing director of Nuclear Enterprises, said that as a result of the take-over several hundred more jobs would be created at factories in Edinburgh, where there are 450 employees, and Beenham, Berks., where there are 350.

Dr. Robert Pringle will be scientific and medical adviser to EMI, as well as life president of Nuclear Enterprises, and Dr. John Powell, managing director of EMI, will become chairman of the company.

Merchant bankers Guinness Mahon, auditors Scott Oswald, and Coopers and Lybrand advised on the deal.

News analysis, Page 7

Continued from Page 1

UK borrows to maintain reserves

authorities withdraw from the market.

The authorities did disclose yesterday that further drawings had been made on the central bank standby, though the amounts were not given officially.

The drawings would have been made in the early part of last week, after the Chancellor of the Exchequer's statement the previous Sunday that no further drawings had been made since the total of nearly $1.1bn. in June and before the reserve figures were struck just before the end of the month

The figures may not, however, give a precise indication of the amount spent, since they are affected by other undisclosed transactions.

In addition to the drawing, the U.K. had the benefits of acruals of $336m. of public sector borrowing abroad under the exchange cover scheme. This included another $200m. drawn by the National Water Council on the facility arranged with Iran, and loans by the European Investment Bank of $31m. to the Post Office and $44m. to the Electricity Council.

The figures do not reflect, however, the $500m. Eurocurrency borrowing announced for the Electricity Council late last month, which will come into the reserves probably this month.

Silkin resists Green Pound devaluation

BY ROBIN REEVES LUXEMBOURG, Oct. 3.

MR. JOHN SILKIN, Minister of Agriculture, to-night staunchly resisted a call by the European Commission for Britain to agree to an immediate devaluation of the Green Pound of 4.5 per cent.

Mr. Silkin, in his first fomal Common Market Council of Ministers meeting, told the Commission and his European colleagues in secret session that because of the U.K.'s present economic circumstances, this was not the moment for a Green Pound devaluation—which would have the effect of lifting farm and food prices in the U.K.

He had found a good deal of sympathy for his position at the meeting. Equally, he now had more understanding of the Commission's concern at the effect of sterling's decline on the common budget of the Community.

But Mr. Pierre Lardinois, the Brussels Agricultural Commissioner, insisted that he did not sympathise with the British position at all.

"The situation is getting out of hand," he said. The cost of all imports other than food were increasing because of sterling's fall. The Commission was simply proposing a "moderate adjustment" in the Agricultural sector.

The EEC Green Pound system and accompanying import subsidies still insured that British food prices were insulated from the full effects of the pound's decline.

"If the British refuse to adjust now, we shall be in a dangerous situation," Mr. Lardinois warned.

Officials now calculate that payment by Brussels on EEC import subsidies to offset the effects of sterling's decline on the system of supposed common prices in a unified agricultural market of the Nine are running at the rate of some £330m. in a full year. The Brussels proposal, which was decided at a special meeting of the Commission's 13-man executive this morning, would, if accepted, result in a saving in these monetary compensatory payments of some £50m. At the same time, it would raise official EEC prices to U.K. farmers by 4.5 per cent. and the combined effect would increase the cost of food index by the order of 1½ per cent.

Mr. Silkin admitted that the matter was not yet closed. Mr Lardinois would discuss the matter further and it was due to be aired in the council meeting again to-morrow morning.

The Commission's plan also involves a proposed devaluation in the Irish green pound of 7.5 per cent. and the British Minister appears ready to go along with this.

U.K. agriculture, Page 39

Weather

U.K. TO-DAY

CLOUDY weather with some rain spreading from the S.W.

London, S.E., E. England, E. Anglia

Sunny spells. Cloudy later with rain at time. Wind W. backing S.W. Light. Max. 16C (61F).

Cent. S., Cent. N., N.W. England, E. and W. Midlands, N. Wales

Bright start. Becoming cloudy with some rain. Wind S.W. Light or moderate. Max. 16C

Channel Is., S.W. England, S. Wales

Cloudy, occasional rain. Wind S.W., moderate or fresh.

Lakes, I. of Man, S.W. Scotland, Glasgow, Argyll, N. Ireland

Bright at first. Becoming cloudy with some rain.

N.E. England, Borders, Edinburgh, Dundee, Cent. Highlands, Aberdeen, Moray Firth, N.E. Scotland, Orkney and Shetland N.W. Scotland

Sunny spells followed by cloud with rain at times.

Outlook: Rain at times in most places, but mostly dry at first

BUSINESS CENTRES

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Amsterdm.	R	14	57	Manchstr.	C	14	57
Athens	S	29	82	Melbourne	C	20	68
Barcelona	F	14	57	Mexico C.	S	19	67
Belfast	C	12	54	Milan	F	18	64
Belgrade	S	25	77	Montreal	S	13	55
Berlin	C	14	57	Moscow	S	9	48
Birmghm.	R	11	52	Munich	S	16	61
Bristol	C	12	54	Newcastle	F	14	57
Brussels	R	14	57	New York	S	18	64
Budapest	R	16	61	Oslo	C	9	48
B. Aires	C	16	61	Paris	C	16	61
Cairo	S	31	88	Perth	R	16	61
Cardiff	C	12	54	Prague	C	16	61
Cologne	F	18	64	Reykjavik	R	8	46
Copenhgn.	C	14	57	Rio de J'o	C	25	77
Dublin	S	12	54	Rome	S	25	77
Edinburgh	F	12	54	Singapore	C	29	85
Frankfurt	C	18	64	Stockholm	C	12	54
Geneva	R	16	61	Strasbourg	C	20	68
Glasgow	C	11	52	Sydney	C	25	77
Helsinki	C	9	48	Tehran	S	23	73
H. Kong	S	29	84	Tel Aviv	S	26	79
Jo'burg	C	21	70	Tokyo	S	23	73
Lisbon	F	20	68	Toronto	S	15	59
London	F	15	59	Vienna	S	19	66
Luxemb'g	R	13	55	Warsaw	C	17	63
Madrid	C	18	64	Zurich	F	15	59

HOLIDAY RESORTS

Ajaccio	C	22	72	Jersey	R	14	57
Algiers	S	25	77	Las Plms.	F	25	77
Biarritz	C	14	57	Locarno	R	14	57
Blackpool	R	12	54	Majorca	F	24	75
Bordeaux	R	14	57	Malaga	F	26	79
Boulogne	C	15	59	Malta	S	26	79
Casablnca	F	23	73	Nairobi	S	21	70
Cape Town	S	18	64	Naples	R	20	68
Corfu	F	26	79	Nice	C	18	64
Dubrovnik	C	21	70	Nicosia	S	29	84
Faro	F	22	72	Oporto	C	19	66
Funchal	F	24	75	Rhodes	S	28	82
Gibraltar	F	25	77	Salzburg	C	14	57
Guernsey	F	14	57	Tangier	F	23	73
Innsbruck	S	20	68	Tenerife	C	20	68
Inverness	F	13	55	Tunis	F	26	79
I. of Man	R	11	52	Valencia	C	22	72
Istanbul	F	20	68	Venice	S	27	81

S—Sunny. F—Fair. C—Cloudy. R—Rain.

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